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THE INFLUENCE OF LEGISLATIVE FISCAL ANALYSTS IN THE STATE BUDGET PROCESS

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By

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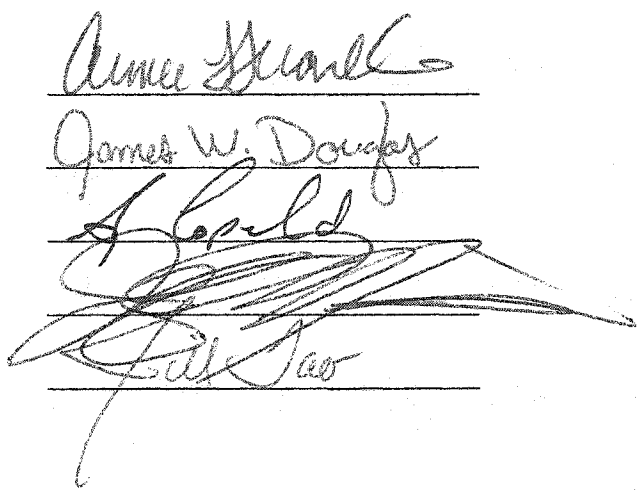
A Dissertation APPROVED FOR THE
DEPARTMENT OF POLITICAL SCIENCE

BY



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CHAPTER ONE

Introduction

This dissertation analyzes the duties, roles, relationships, and influence of legislative fiscal analysts in state budget policy. Legislative fiscal analysts are the focus of this research because of their participation in the development of the budget, one of the most important issues that legislatures undertake. State legislatures depend upon fiscal staff to develop, analyze, and monitor the state budget. Today, the development of the state budget is a daunting task made more difficult by legislator turnover due to term limits, the increasing complexity of public programs, periods of fiscal stress, public resentment over taxes, and the call for increased government performance, and heightened demands on legislators' time from constituents and lobbyists. These modern day challenges to state budgeting make fiscal staff support more crucial today than in previous decades.

Legislative fiscal staffs provide a great variety of services to the legislature such as the review and analysis of agency budget requests and executive recommendations, fiscal analysis of bills, monitoring of agency expenditures, drafting bills and amendments, gathering and disseminating a variety of fiscal and programmatic information to state legislators, and in some cases, making budget recommendations to legislative committees. Given that fiscal staffs provide these types of services that assist legislators in making decisions about the budget, it is important to understand their role in the development of budget policy. Despite this crucial role, little recent attention has been paid to this group of key budget actors.

Although several studies assessed the basic duties and characteristics of legislative fiscal staff in the 1960s and 1970s, the academic community has been largely silent about these players in the state budget process since that time. Previous research on legislative fiscal analysts typically fails to discuss differences among individual analysts in terms of duties, roles, and influence and focuses instead on the fiscal office as a whole. The present research not only provides a current picture of the duties and characteristics of legislative fiscal analysts, including their educational and professional background, but seeks to expand the literature on whether specific duties and characteristics lead to differing degrees of influence. While there is research in the 1970s on the influence of legislative fiscal analysts in one state, the current study adds to this literature by assessing legislative fiscal analyst influence based upon the perceptions of key budget actors such as legislators, agency personnel, and executive budget analysts in four states.

The present research also expands what we know about the relationships between legislative fiscal analysts and key budget actors by specifying the frequency and nature of legislative fiscal analyst contact with other budget actors, the types and usefulness of information provided to legislators, and the level of discretion given to analysts by the legislature in providing information. Finally, the current study explores several political, structural, and individual factors potentially impacting the degree of influence of legislative fiscal analysts such as term limits, budget cycle, staff size and duties, tenure and expertise of the legislative fiscal analyst, and legislator tenure. It is hoped that the knowledge gained through this study will lead to new research questions for the study of legislative fiscal analysts. The next section

reviews the historical rise of legislative fiscal analysts and their importance in the budget process.

Legislative Fiscal Analysts as a Research Focus

State budget policy, the process by which resources are allocated among competing claims and interests, is probably the most significant policy that governors and legislatures develop. Aaron Wildavsky (1964, 5), a leading budgeting scholar, emphasized the importance of the budget when he claimed that the budget process represents:

> The victories and defeats, the compromises and the bargaining, the realms of agreement and the spheres of conflict in regard to the role of ... government in our society... In the most integral sense, the budget lies at the heart of the political process.

Richard Fenno (1966, xiii) further underscored the importance of the budget in terms of power:

> The power of the purse is the historic bulwark of legislative authority. The exercise of that power constitutes the core legislative process-underpinning all other legislative decisions and regulating the balance of influence between the legislative and executive branches of government...

Despite the importance of the budget, state legislatures have traditionally been disadvantaged in developing budget policy. Since the advent of the executive budget, governors have dominated the budget process by directing and controlling it. The state budgeting literature has documented this dominance (Anton 1966; Howard 1973; Sharkansky 1968; Schick 1971). This early executive dominance was the result of the introduction of the executive budget in the late 1890s and early 1900s at

the local level as a means of reducing government corruption and increasing both democracy and efficiency. The executive budget was a mechanism for making one individual, the chief executive, responsible for the budget, thus, increasing efficiency. Because the chief executive was a representative of all the people, the executive budget also supported the goal of democracy (Bland and Rubin 1997).

The passive role of the legislature in the budget process was indicative of the strength of the executive branch in all matters of the state. Legislatures of the past were criticized for their lack of initiating legislation, innovation in public policy, and in particular, review of the executive budget (Schick 1971). State legislatures were "sometime governments" ignored by scholars and dominated by governors (Burks 1971). Early observers of state legislatures bemoaned the obsolete procedures and committee systems, inadequate pay to attract quality individuals, and infrequent legislation sessions (Burns 1971; Jewell and Patterson 1966; Keefe 1966). In an effort to strengthen state legislatures, reformers, such as the Citizens Conference on State Legislatures, recommended the enhancement of legislative professionalism by increasing space for individual members and committees, lengthening legislative sessions, reducing the size of the legislative body, and increasing legislative pay and staff size (Rosenthal 1998). Thus, the state legislative reform movement from 1965 to 1980 sought to reshape legislative processes, personnel, facilities, and functions (Rosenthal 1994). Legislative reform took a variety of shapes within the states, but can be placed in seven broad categories. First, legislative activity was improved in many state legislatures. States increased the frequency of legislative activity by convening and/or lengthening annual sessions and spending more time on legislative

oversight during the interim. In some states this required a constitutional amendment to remove or amend language in the state's constitution restricting the length of a legislative session. Today, 43 states have annual sessions (Grooters and Eckl 1998). Second, to attract more qualified individuals, many states increased legislative pay and made salary increases easier to change by authorizing salary increases in statutes as opposed to specifying salaries in the state constitution. Third, rigorous standards of conduct were established. In an effort to strengthen and increase the public's respect for the institution, state legislatures created codes of ethics, conflict of interest clauses, and ethics commissions. Fourth, space and building facilities were enhanced. Many state capitols underwent major renovations during the reform period in an effort to provide adequate facilities for legislators. By 1980, a majority of legislatures had increased office space for individual members, renovated capitols, and created new office buildings and spaces for committees and staff (Rosenthal 1994). Fifth, standing committees were strengthened. The number and size of standing committees were reduced so that individual members could become experts in a specific area of jurisdiction. Other committee related reforms included open meetings and advance notice of meetings, uniform committee rules, and the publication of committee reports and votes. Sixth, legislative oversight of programs was established. Legislatures began engaging in review of administrative rules and regulations, overseeing the appropriation of federal funds, and performing sunset reviews. Finally, legislatures began increasing the number and competence of legislative staff. Legislatures increased not only the number of staff for leadership,

committees, and rank-and-file members, but the variety of staff as well, to include fiscal, audit and program review, legal, and research staff.

For the legislative reform movement, the importance of the staff function cannot be overstated. While the primary goal of the reform movement was to increase the powers of the legislature, the need for independent information became one mechanism for accomplishing that goal. Just as the executive branch had the services of staff, the legislature also needed staff to conduct research, evaluate proposals and agency programs, and analyze budgets. Therefore, the strengthening of legislative staff, in both size and professionalism, was one of the principal concerns for the early reformers. In fact, one notable legislative scholar argued, "staff was the major panacea for what ailed legislatures" (Rosenthal 1998, 53). Legislative staffs give legislators the ability to make decisions, independent of governors, state agencies, and interest groups. "In general, legislative staff has evolved parallel to the legislatures: the more professional and deliberative the legislature as a whole became, the more advanced the staff support became" (Thielemann 1994, 802). Since the legislative reform movement ended around 1980, state legislatures have made progress in usurping some executive powers and strengthening their influence over state policy, including the budget (Rosenthal 1998; Sabato 1983). According to a leading legislative scholar, "legislatures may not always prevail in contests with the governor, but they can no longer be taken for granted or expected simply to rubberstamp gubernatorial initiatives" (Rosenthal 1998, 301).

Today, legislatures have the services of full-time professional and clerical staff and session-only professional and clerical staff.[1] These employees provide a myriad of services to legislators and committees. There are also many different organizational arrangements of staff such as central office staff, committee staff, and partisan staff. In fact, the National Conference of State Legislatures (1979) identified eleven types of staff organizations. The most common type of staff arrangement outlined in the 1979 report on legislative staffing was the legislative council arrangement. A legislative council includes legislators of both chambers acting as the body overseeing staff as well as overseeing the activities of the legislature during the interim. In this arrangement, all legislative staffs are centralized under a legislative council and provide nonpartisan fiscal, bill drafting, audit, and research services to all members.

While the legislative council is the most common staff arrangement, many other supervisory structures are found in the states. Closely related to the legislative council arrangement is the coordinating council or committee structure. In this arrangement, staffs are centralized and operate under a coordinating council or committee made up of both house and senate members. The coordinating council or committee is responsible for determining general personnel policies and salaries for nonpartisan legislative staff, but unlike the legislative council structure, the coordinating council or committee is operational throughout the year.

In some cases, organizational structures include a combination of centralized staff and other kinds of staff. For example, some states have the services of both a centralized council staff and partisan staff for the minority and majority parties in

each chamber. Other arrangements include a centralized staff plus a separate and autonomous audit staff supervised by a legislative committee. A good example of this arrangement is the centralized, nonpartisan staff within the Arkansas Bureau of Legislative Research supervised by the Arkansas Legislative Council and a separate legislative audit staff supervised by the Legislative Joint Audit Committee of the Arkansas General Assembly. Other staffs operate in separate chamber offices, where each chamber has its own staff and staffing policies. Oklahoma provides a good example of this arrangement with separate fiscal, policy, and research staff in both the House and Senate. A variation of this arrangement is found in some legislatures where staffs operate under separate chamber management, typically under the direction of the presiding officers in each chamber, but some legislative committees employ separate staff as well. A less common structure is partisan staff supervised by the party leadership in each chamber. New York and Pennsylvania represent this type of staff arrangement where the majority and minority parties in each chamber employ staff. Despite these various organizational structures for legislative staff, a subsequent report on legislative staffing in 1988 showed that the trend in staffing is the creation of centralized staff under the auspices of a legislative council or coordinating council (Weberg 1988).

Furthermore, the size of staff has grown tremendously since the 1970s. "Nearly all the growth in staff has occurred since 1969 with the development of specialized staff in areas such as fiscal, legal services, auditing and program evaluation, administrative rule review, media relations, computer services, and committee staff" (Pound 1999, 29). Today, "More than 36,000 legislative staff,

most of them nonpartisan and working in service agencies... [are] writing bills, analyzing budgets, managing information, researching issues, processing legislation, programming computers, printing reports, staffing committees, overseeing the executive branch, and providing security" (Weberg 1997, 26). A more recent trend has been the leveling off of the growth of legislative staff, but with continued growth for specific kinds of staff such as caucus staff and personal staff for individual legislators (Pound 1999).

Due to the importance of the legislative appropriations function common to all legislatures, fiscal analysts were among the first types of staff authorized as legislatures moved to increase their information processing capability (Hammond 1985). Early research on legislative fiscal analysts in the 1970s indicated that a legislative fiscal staff is one of the most critical factors conditioning the capacity of legislative leaders in budget policy. By providing the basic facts needed by decision makers and running down the technical details of appropriations proposals, staff aid in the formulation of policy. Further, this research showed that fiscal analysts increased the output and oversight of those responsible for creating the budget (Balutis and Butler 1975; Rosenthal 1973).

The rise in number and quality of legislative fiscal staff may also be a leading factor in the increasing independence of the legislative branch in the budget process. Recent research indicates a growing parity between the executive branch and legislative branch in the state budgeting process with the legislature gaining ground in every phase of state budget policy including post-expenditure review (Abney and Lauth 1987 and 1998; Gosling 1985; Gosling 1994; Rosenthal 1981). Abney and

Lauth (1987, 1998) argue that the era of executive dominance over the budgeting process has been replaced by executive-legislative parity due to the decreasing information advantage once held by the governor. The great executive advantage of dominating budgetary information has come to an end, as all 50 state legislatures now have budgetary staff. In fact, the growth in legislative fiscal staff has outpaced the growth of budget analysts in executive budget offices in recent years (Gosling 1994).

Problem Statement: The Neglect of the Role of Legislative Fiscal Analysts

The purpose of this research is to assess the duties, roles, relationships and influence of legislative fiscal analysts in the development of state budget policy. There are several critical reasons for devoting time and effort to studying legislative fiscal analysts. First, if Wildavsky is correct and the budget lies at the heart of the political process, and if legislative fiscal analysts play a role in that process, then fiscal analysts become important actors to study. Understanding the role of legislative fiscal staff in the development of budget policy is crucial to understanding the democratic process. Legislative fiscal analysts are one of several groups of actors involved in the most important of public policies: the public budget. In an era of term limits, increasingly complex budget issues, and information overload, legislative fiscal staffs are essential to the modern legislature and, therefore, important to study.

Second, a fundamental and enduring question in public administration concerns the budget decision. V.O. Key (1940) asked over 60 years ago, on what basis do we allocate X amount of dollars to Activity A as opposed to Activity B? Several groups of actors are involved in this crucial decision, both elected and

administrative. As part of the administrative set of budget actors, there is a growing body of research on executive budget analysts at the federal level (Berman 1979; Heclo 1978; Johnson 1984; Mosher 1984; Pearson 1980; Tomkin 1998) and at the state level (Appleby 1980; Gosling 1985; Gosling 1987; Lee 1991; Lee 1992; Lee 1997; NASBO 1999; Thurmaier and Gosling 1997; Thurmaier 1995; Thurmaier 2000; Thurmaier and Willoughby 2001; Wildavsky 1964; Yunker 1990).

Less research exists, however, specifically regarding legislative fiscal analysts. There is numerous research on legislative staffing in general including research on the committee and personal staffs of the U.S. Congress, U.S. state legislatures, and legislatures outside of the United States.[2] Yet, little research exists on legislative fiscal analysts at the federal level (Fenno 1969; Kayali 1977) and at the state level (Balutis and Butler 1975; Rosenthal 1973; Snow and Clarke 1999; Weissert and Weissert 2000; Willoughby and Finn 1996). Further, some of the research on legislative fiscal analysts at the state level is well over 25 years old. The early research indicates that legislative fiscal staffs play an important role in the development of state budget policy. This dissertation adds to previous findings on the duties, roles, relationships, and influence of legislative fiscal analysts in state budget policy.

Third, in the collection and dissemination of information, legislative fiscal analysts are in a position to impact the decisions of elected officials. The current research sheds light on how legislative fiscal analysts influence public policy by studying their role in the budget process. The potential for legislative staff at the federal level and state level to influence the policy process due to their expertise and

the "behind the scenes" nature of their work has been documented (Fox and Hammond 1977; Malbin 1980; Romzek 2000; Romzek and Utter 1996). This potential for influence gives rise to two primary arguments against the widespread and increased use of legislative staff: 1) staffers, as experts, give advice and make decisions as unelected individuals not accountable to citizens and 2) staff come between the elected official and her constituents, thus subverting the representative process. Therefore, many scholars have questioned the growth and technical expertise of legislative staff, particularly at the congressional level, and claim that legislators abdicate their responsibilities for lawmaking by deferring too often to experts among their staffs (Kofmehl 1962; Malbin 1980; Meller 1952; Meller 1967; Patterson 1967). This issue is extremely pertinent today as members of Congress and increasingly, state legislators, encounter complex problems and time constraints. In fact, state legislators may be under more severe time and resource limitations than members of Congress due to shorter legislative sessions and term limits. Because staffers help to alleviate some of these information burdens, they have the potential to influence a member's decisions since they work with the legislators daily and are in positions to furnish and withhold information, make suggestions, and possibly give advice.

Legislative fiscal staff might be in a better position to influence decision-making due to the complexity and technical nature of the state budget process (Weissert and Weissert 2000). Also, to some extent the power of staff comes from the power of their bosses (Salisbury and Shepsle 1981). The most powerful legislators are often those sitting on the money committees. The staffs of these

committees, in turn, reap the benefits of working for the most prestigious committees and members. Therefore, legislative fiscal staff may be very influential in the budget process. This dissertation sheds light on how legislative fiscal analysts influence public policy by studying their roles in the budget process.

Despite little recent attention by scholars, legislative fiscal analysts are critical players in state budget policy. Identifying who they are, their primary role in the budget process, understanding their relationships with other key budget actors, and the degree of their influence in the creation of the state budget, will help us understand an often-neglected group of actors in the development of public policy.

Summary of Findings

In this study, the majority of all respondents perceived legislative fiscal analysts to be very influential or influential in the state budget process. Primarily, legislative fiscal analysts are influential in the budget process because they are information providers, and secondarily, they are influential because they are seen as experts in a particular policy area. Legislative fiscal analysts provide the information that becomes the basis for legislative deliberation and decision making on the budget. Key budget actors commented on the ability of the analysts to provide an historical context of an agency or program, explain the agency budget request, and provide key demographic and fiscal information needed for legislative decision making on the budget. Further, when analysts summarize and simplify agency budget requests by parsing out information to legislators, pointing out areas of concern, or identifying key issues, they have the ability to shape legislative deliberation and debate. In other words, analysts are influential as information providers because they narrow the range

of legislative discussion by identifying issues, developing several policy alternatives, or making specific budget recommendations.

The current research supports and adds to the existing body of work on legislative fiscal analysts by further defining the factors linked to legislative fiscal analyst influence in the state budget process. As stated earlier, this study found that the primary variable linked to influence is the ability of analysts to provide budgetary information to legislators. This is also the conclusion of previous studies on legislative staff and legislative fiscal analysts (Patterson 1970a; Snow and Clarke 1999; Weissert and Weissert 2000). Analysts exert this influence by not only providing the basic information about the budget but also as agenda setters. Unlike a previous study (Snow and Clarke 1999), indicating that agenda setting occurs with staff who develop budget recommendations, the current study indicates that agenda setting also occurs among those analysts who do not develop budget recommendations. Agenda setting refers to shaping the decision making parameters by developing policy options and identifying key issues and concerns, activities undertaken by analysts who are not given the responsibility of making budget recommendations.

The current research also identifies new variables linked to influence that have not been variables in past research. These variables include legislator trust of legislative fiscal analyst, fiscal office reputation, the process of budget development, the primary point of influence in the budget process, and the type of staff.

In addition to identifying new variables for future studies, the current study sheds light on whether legislative fiscal analysts are too influential in the budget

process by giving advice, making decisions for legislators, and promoting their policy preferences. This study provides no support for these activities. Comments from both analysts and other budget actors reveal that analysts are fulfilling their role as nonpartisan staff. Several analysts commented that they do not see themselves "pushing policy" or "advocating for a particular policy outcome" in the course of performing their duties for the legislature. In responding to questions concerning advice, the majority of the analysts in this study responded that they make special effort to avoid giving advice to legislators by giving the legislator several policy options or alternatives. Further, several budget actors commented on the ability of analysts to remain nonpartisan and present objective information to the legislature.

Organization of the Research

Chapter Two provides the reader with a broad examination of the budget process, describes the organizational setting of legislative fiscal analysts in the 50 states, and presents the findings of previous research on legislative staff and executive staff that is essential in developing a research framework. This chapter reviews the wide range of variables and methods used to study staff at both the Congressional and state levels. It further discusses the literature on the factors that may condition the degree of influence of legislative fiscal analysts. Finally, chapter Two outlines the thesis and research design. Chapter Three provides a description of the legislative fiscal analysts in the current study on the following characteristics: sex, age, educational background, and previous employment. This chapter also compares legislative fiscal analysts with their executive budget office counterparts on these characteristics. Finally, the budget process of each state in this study is reviewed as

well as the primary duties of legislative fiscal analysts. Similarities and differences among the states are discussed and a typology of duties is created showing the primary duties by state and the point in the budget process where they occur.

Chapter Four analyzes the relationship of legislative fiscal analysts with individual members of the legislature, committee members and chairs, agency personnel, and executive budget analysts. This chapter explores the types and usefulness of information provided by analysts to legislators, the level of discretion given analysts in the provision of information, and the nature and frequency of contact between analysts and legislators, agency personnel, and executive budget analysts. It further discuses how legislators perceive the role of legislative fiscal analysts in the budget process and how legislative fiscal analysts perceive their role in relation to the state agency(s) under their responsibility. Chapter Five gets at the heart of the research question by analyzing the perceptions of legislative fiscal analyst influence among the key budget actors. This chapter discusses the reasons for legislative fiscal analyst influence and how and when it occurs. It also discusses those factors potentially impacting influence and any differences in influence among the legislative fiscal analysts. Chapter Six summarizes the findings of the current study, discusses the findings in relation to previous research and develops future research questions in this area.

NOTES

1. Donlan and Weberg (1999) with the National Conference of State Legislatures provides comparative information on committee, fiscal, and legal staff structures and staff responsibilities for all 50 states and territories in 1999 edition of *Legislative Staff Services: Profiles of the 50 States and Territories*

2. Susan Hammond surveys the literature on legislative staffing up to 1983 in her chapter entitled, "Legislative Staffs" in *Handbook of Legislative Research*, edited by Gerhard Lowenberg, Samuel C. Patterson, and Malcolm E. Jewell, (Cambridge, MA, Harvard University Press, 1985). This essay focuses on the findings, methods, and approaches to studying legislative staff. In a more recent article, Hammond continues her exploration of the literature on legislative staffing from 1983 to the present in an article entitled, "Recent Research on Legislative Staffs" in *Legislative Studies Quarterly*: 21 (November, 1996).

CHAPTER TWO

Legislative Staff, Executive Budget Staff, and Legislative Fiscal Analysts: A Review of the Literature and Research Framework

This chapter provides the reader with a broad view of the budget process in the 50 states, presents the findings of previous literature on legislative and executive staff, and develops a model for the study of legislative fiscal analysts. A discussion of the budget process across the 50 states illuminates the similarities and differences in budget procedures including the budget timeline, roles of the executive and legislative branches in the budget process, the structure and number of fiscal committees responsible for reviewing the budget, and the organizational setting for legislative fiscal staff. The chapter also reviews the literature on staff at all levels of government across a wide range of variables including staff educational and professional background, staff roles and relationships with other budget actors, staff duties and functions, and staff influence. Next, the chapter discusses the factors that may condition the degree of legislative fiscal analyst influence including the professionalism of state legislatures, gubernatorial-legislative relationships in the budget process, legislative term limits, the budget cycle, staff duties and functions, fiscal staff size, tenure of legislators and legislative fiscal analysts, legislative fiscal analyst contact with key budget actors, and legislative fiscal analyst discretion in providing information and budget analysis. Finally, the chapter will outline the thesis and research design based upon the review of the literature and the factors conditioning influence.

The State Budget Process

While the state budget process follows three basic stages in all states, preparation of agency budget requests, development of executive recommendations, and enactment of the appropriation bill(s) by the legislature, budget procedures and the roles and organization of the legislative fiscal staffs vary from state to state. The following discussion highlights the many facets of the state budget process based on the most recent compilation of budgeting procedures by the National Conference of State Legislatures (NCSL).[1]

The Typical Budget Timeline

While most states (43) hold annual legislative sessions, there is variation in the budget cycle, or the frequency at which states enact the budget. States budget either annually or biennially. An annual budget encompasses one fiscal year, while a biennial budget may be two annual budgets enacted biennially or a true biennial budget encompassing two fiscal years. Twenty-nine states adopt annual budgets, while 11 states operate on the biennial budget cycle and adopt two annual budgets. The remaining states (9) operate on a biennial budget cycle and adopt a true biennial budget. Within these three categories, there are some variations as well. For example, Missouri's operating budget is enacted annually, but the capital budget is biennial. Kansas enacts an annual budget for its largest operating agencies, but the budgets for 20 small boards and commissions are enacted biennially using two annual budgets.

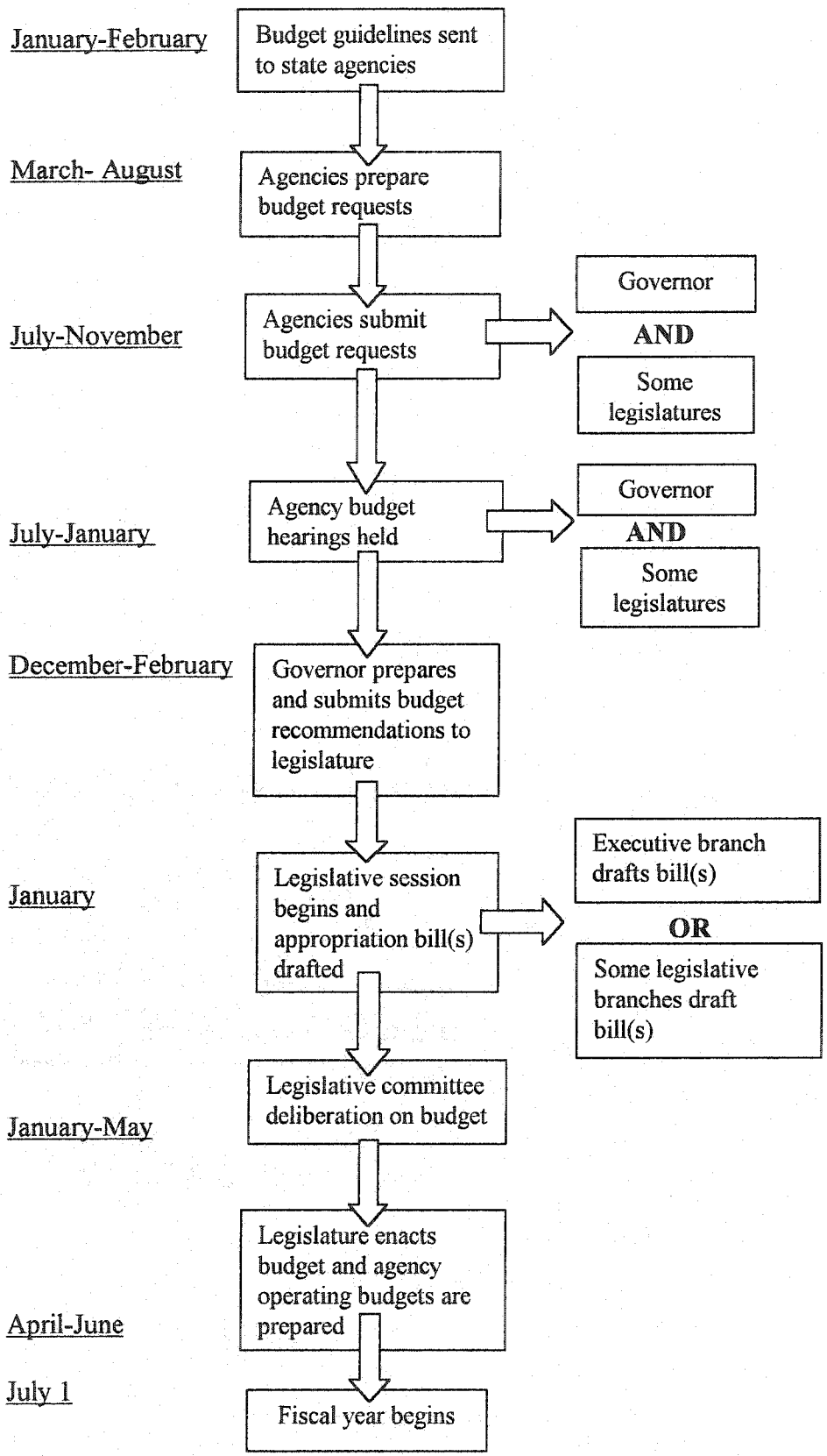
The general timeline for the budget process from the formulation of budget guidelines and agency requests to the legislative enactment of the budget is quite similar among the 50 states. Figure 2.1 shows the typical timeline for the budget process. The process starts with the formulation of budget guidelines providing instructions to agencies for the preparation of agency budget requests. These guidelines are developed by the executive branch and sent to the agencies in January, a year before the beginning of the legislative session. In some states, the development of the budget guidelines is done in concert with the legislature. In the early spring, agencies prepare the budget requests. These requests are submitted to the executive branch from August through November. At this point in the process, legislatures have access to the agency budget requests at different times. In 33 state legislatures, agency budget requests are submitted to the legislature prior to the preparation of the executive budget. In many of these states, the submission of agency requests to the executive and legislative branches occurs at the same time. Two legislatures receive the agency requests after the executive budget is prepared, but before submission to the legislature, one state legislature receives agency requests at the same time the executive budget is submitted to the legislature, and three state legislatures receive the agency requests after the executive budget is submitted. Three state legislatures receive agency budget requests very late in the legislative session or informally upon legislator or staff request. Legislatures in eight states never receive agency budget requests.

After the agencies submit the budget requests, budget hearings are held where the agency makes the budget request before the executive branch. Some legislatures

hold agency hearings prior to the legislative session as well. At the conclusion of the hearings, the executive recommendations are developed and submitted to the legislature as the executive budget. The submission of the executive budget is usually done immediately before or at the beginning of the legislative session that typically starts at the beginning of January.

In most states, legislative deliberation on the budget starts with the arrival of the executive budget at the beginning of the legislative session, however some legislatures begin deliberations prior to the legislative session. As stated earlier, in Arkansas, the Legislative Council and Joint Budget Committee meet jointly from October through December to hold agency budget hearings prior to the legislative session that begins in January. Both agency requests and executive recommendations are reviewed at this time. The two legislative committees make recommendations on the budget and those recommendations are presented to the Joint Budget Committee during the session in the form of appropriation bills.

Figure 2.1
Budget Timeline



It is important to note that most legislative deliberations on the budget begin with the submission of the executive budget and the appropriations bill(s). In most states, the executive drives the process by providing the document from which the legislature debates. However, in some states, the legislature ignores the executive budget and creates its own document or drafts its own appropriations bill(s) from which debate occurs.

The entity responsible for drafting the appropriations bill(s) varies from state to state. In 28 states, the executive branch has the sole responsibility for drafting the bill. State legislatures in 15 states authorize the nonpartisan fiscal staff to draft the appropriations bill(s). In 13 states, either the House or Senate Appropriations Committee staff is responsible for drafting the bill(s). The remaining three states have unique bill drafting responsibilities. In Oklahoma, bill drafting responsibilities are split between the House and Senate fiscal staffs where the Senate introduces appropriations bills for half the state agencies and the House introduces the other half. In Indiana, the budget committee made up of four legislators and the state budget director reviews requests, makes recommendations, and authorizes committee staff to draft the bill. The North Carolina legislature places bill drafting responsibility within a nonpartisan bill drafting division made up of legislative staff. It is important to note that even if the legislature drafts the appropriations bill(s) it may initially reflect the executive recommendation.

The deliberations process on the appropriations bill(s) takes place in legislative committees, but these committees vary in size, operation, and name. The appropriation bills are typically referred to House and Senate Appropriations

Committees, or a joint appropriations or budget committee for review. Most state legislatures (39) have a separate fiscal committee in each chamber that reviews the appropriations bill(s). For example, the Indiana legislature places responsibility for review of the appropriations bill in the House Ways and Means Committee and the Senate Finance Committee. The legislature in Maryland reviews the appropriations bill through the Appropriations Committee in the House and the Budget and Taxation Committee in the Senate. In legislatures with separate committees there is a variety of interaction between them. In some legislatures, the separate committees almost always meet together during the session, in others, separate committees may hold joint hearings occasionally, and in Montana, subcommittees of the appropriations committees are held jointly. Other state legislatures (14) choose to review the budget through a joint committee comprised of House and Senate members such as the Joint Budget Committee, Joint Committee on Appropriations and Financial Affairs, and Joint Committee on Ways and Means. Some states use a combination of joint committees and separate committees. For example, the Louisiana Joint Budget Committee conducts budget hearings before the session, but separate House and Senate appropriations committees also conduct hearings during the legislative session. It is through the deliberations in these fiscal committees that legislative recommendations are made regarding the budget and incorporated in the appropriations bill(s).

The average number of appropriations bills enacted by state legislatures varies considerably. While 18 state legislatures enact a single appropriations bill encompassing the operating budget and the capital budget, the remaining 32 states

enact between 2 and 500 separate appropriation bills. For example, Arizona, Maryland, and New Hampshire enact two appropriation bills, one for the operating budget and one for the capital budget. North Carolina enacts three bills, one for the continuation or baseline budget, one for budget expansions, and one for the capital budget. Michigan enacts 13 bills for each of the major operating departments, one capital projects bill, and three separate bills for education funding. The Arkansas Legislature enacts over 500 appropriation bills during a legislative session conforming to a state constitutional requirement limiting each appropriation bill to one subject. Therefore, multiple bills are enacted for each state agency including appropriations bills for the operating budget, capital projects budget, and supplemental funding.

While legislative deliberations on the budget begin with a legislative committee or committees, the full House and Senate must pass the appropriations bill(s) after committee recommendations are completed. A conference committee may be necessary for the reconciliation of different versions of the budget passed out of the House and Senate. After reconciliation, the budget is sent to the governor for approval or veto. If the governor approves, the budget is enacted into law. Governors in all states but one have the power to veto all or portions of the budget. Six governors can veto the entire appropriations bill and governors in 43 states can veto funding for a particular item. If a veto occurs, the legislature can override the veto.

In the 50 states, legislatures generally enact the state budget from April through June during the last few days of the legislative session. After the legislative session, agencies prepare operating budgets to reflect the enacted budget. There is

also uniformity among the 50 states with regard to the fiscal year. All but four states begin the fiscal year on July 1 and end the fiscal year on June 30.

Legislative Fiscal Analyst Organizational Environment

Just as the state budget process differs, the organizational and supervisory environment of legislative fiscal staffs also varies from state to state. Fiscal staffs operate within the various legislative staff structures outlined in Chapter 1, however, the legislative fiscal staffs can be categorized into five basic structures: nonpartisan central office staff, nonpartisan joint committee staff, separate fiscal offices in each chamber, partisan staff where both the majority and minority party in each chamber utilize a fiscal staff, and legislatures that use mixed staff arrangements. Table 2.1 categorizes each state legislature's fiscal staff according to the supervisory body. Some 20 fiscal staffs operate under the auspices of a joint commission or council. This represents the most common supervisory structure where fiscal staffs in nonpartisan central offices report to a joint management commission, committee, or council such as a legislative council or legislative coordinating committee. This committee or council is responsible for overseeing the administration of the entire legislature, including staffing. Nine fiscal staffs work for a joint fiscal committee or work for separate fiscal committees in both the house and the senate chamber. This means that there is one fiscal staff working either for a joint committee or separate fiscal committees in both chambers. Ten states have separate fiscal staff in each chamber who report to either an agency or office or directly to a particular fiscal committee. For example, Oklahoma has two fiscal office staffs, one for the House and one for the

Senate. Here, analysts report to a nonpartisan agency within each chamber. These fiscal analysts are responsible for staffing and providing information to all the fiscal committees in a particular chamber. However, in Massachusetts, the Senate and House Ways and Means Committees have separate staff. The Committees have authority over the analysts, who are hired by the committee chair. Two states are clearly partisan, New York and Pennsylvania. The majority party and minority party has its own staff in each chamber. These staffs provide partisan analysis to members of the respective caucus. Finally, nine states have fiscal analysts working in a variety of supervisory arrangements. California is an example of this type of state. The Legislative Analyst's Office is a nonpartisan, centralized fiscal office that supports the Joint Legislative Budget Committee. However, legislators also have minority and majority staffers who provide partisan analyses of budgetary issues. The Louisiana Legislative Fiscal Office as well as House and Senate staff provide information to the Joint Legislative Committee on the Budget during the session. During the interim, the Louisiana Legislative Fiscal Office provides support for the Joint Legislative Committee on the Budget. In Iowa, the Legislative Fiscal Bureau provides fiscal and budgetary information to members, but partisan caucus staffs also provide members with fiscal information.

Table 2.1
State Fiscal Services: Primary Supervision for Fiscal Staff

Joint Legislative Commission or Council (One fiscal staff)	Joint Fiscal Committee or House and Senate Fiscal Committees (One fiscal staff serving joint or separate committees)	House or Senate Agency, House or Senate Fiscal Committee (Two fiscal staffs for each chamber or committee)	Caucus (Four fiscal staffs)	Mixed (Several types of fiscal staff)
Arkansas	Alabama	Michigan	New York	California
Connecticut	Alaska	Minnesota	Pennsylvania	Florida
Delaware	Arizona	Oklahoma		Illinois
Georgia	Colorado	Rhode Island		Indiana
Idaho	Montana	Hawaii		Iowa
Kansas	New Hampshire	Massachusetts		Louisiana
Kentucky	Oregon	Missouri		Mississippi
Maine	Tennessee	South Carolina		New Jersey
Maryland	Vermont	Virginia		Ohio
Nebraska		Washington		
Nevada				
New Mexico				
No. Carolina				
North Dakota				
South Dakota				
Texas				
Utah				
West Virginia				
Wisconsin				
Wyoming				
20	**9**	**10**	**2**	**9**

Source: Adapted from Donlan and Weberg (1999).

According to Snow and Clarke (1999), this supervisory distinction is important in terms of the mission of the fiscal staff. Fiscal staff who report to a joint commission or council usually has an institutional mission rather than a political mission. Therefore, this staff is referred to as nonpartisan. The fiscal analysts in this capacity typically work for both political parties in both chambers. Loyalty lies with

the institution rather than with a particular political party or chamber. For example, legislative fiscal analysts in Kansas and Maine work in nonpartisan, centralized fiscal offices supervised by a legislative council. In describing its functions and duties, "the Kansas Legislative Research Department is a nonpartisan staff agency that serves the House and the Senate under the auspices of the Legislative Coordinating Council" (Kansas Legislative Research Department, 2002). The Maine legislature dictates that, "As nonpartisan employees of the [Maine] legislature, members of these staff offices are prohibited from engaging in political activity or taking a public position with regard to any matter that is under active consideration by the legislature. In their work, nonpartisan staff must maintain their neutrality"(Maine Legislators' Handbook 2000, 55). Nonpartisanship not only means providing objective information for all members of the legislature, but can extend to more private and personal issues such as the prohibition of political campaigning.

Snow and Clarke (1999) consider staffs that serve fiscal committees in each chamber as well as staffs supporting joint committees, as having a political mission as opposed to an institutional mission. While the fiscal analysts serve all committee members, the committee chair – and thus the majority party – supervises the work of staff. This leads Snow and Clarke to consider these staffs bipartisan rather than nonpartisan. Fiscal staffs serving the majority party or the minority party have a clear political mission. There can be several types of staff arrangements for those staffs having pure political missions. Typically, both the majority and minority party will have its own staff in each chamber. Also, the fiscal committees may employ both majority and minority fiscal staff and each staff would be responsible for providing

analyses and information to the respective party leaders.

Overview of Research Findings on Legislative Fiscal Analysts

Legislative staffs at both the Congressional level and the state level have been the subjects of a growing body of research. Since the legislative reform movement at the state level from the 1960s through the 1980s and staff expansions in Congress due to the 1970 Legislative Reorganization Act, scholars have increasingly devoted time to the study of legislative staff. Early research focused on calculating staff size and describing staff educational and professional characteristics of both committee and personal staff at the congressional level. More recent research on congressional staff and state legislative staff analyzes activities, roles, and impact on budget and policy decisions. Also, the growing body of research on executive budget staff is equally important in the research on the duties, roles, and influence of legislative fiscal analysts as a point of comparison between the two types of staff.

What do we know specifically about legislative fiscal analysts in state legislatures? At the beginning of the state legislative reform movement, one study described the basic duties and roles of legislative staff in seven states (Balutis and Butler 1975). This was the first study at the state level to describe staff characteristics and the wide range of fiscal office duties. In an attempt to uncover whether the presence of a fiscal staff has implications for the work of the state legislature, Rosenthal (1971) analyzed the differences in the fiscal committee review of the budget both before and after the creation of a legislative fiscal staff. This study found that the number of budget changes by the fiscal committee increased after the

creation of legislative fiscal staff. Not only are legislative fiscal committees more active due to fiscal staff, these fiscal analysts are perceived to be influential in the budget process. A 1970s study (Balutis 1975) in one state found that legislative fiscal analysts perceive themselves as influential in the budget process and legislators, lobbyists, and executive branch personnel corroborate this influence. Despite these early studies showing an impact on legislative review of the executive budget and the perceived influence of fiscal staff in the budget process, few studies have been conducted since that time.

One recent study by Snow and Clarke (1999) provides a starting point for the study of legislative fiscal analysts. Here, the authors describe the differences in duties and point of influence of fiscal staff based upon the location and mission of the fiscal office. Snow and Clarke found that nonpartisan centralized fiscal staffs influence legislators during committee hearings and budget hearings when fiscal staffs present their reviews and analyses of agency budget requests to the fiscal committee. However, partisan fiscal staffs tend to be more influential during caucus meetings.

In the most recent study on legislative fiscal analysts, Weissert and Weissert (2000) find that trust between the legislator and legislative fiscal analyst impacts the degree of legislative fiscal analyst influence. Further, appropriations committee chair tenure is directly linked to the influence of the analyst. Weissert and Weissert show that legislative fiscal analyst influence increases as the tenure of the appropriations committee chair increases. Therefore, it is the relationship and the trust that is built between the committee chair and legislative fiscal analyst that conditions the degree of influence.

In summary, early studies of legislative fiscal analysts describe general fiscal office duties, although with little comparison or explanation of differences in duties. More recent studies have gone beyond mere description of general duties to explore some of the factors involved in the degree and point of legislative fiscal analyst influence. The current study will build upon these past efforts as well as the research on congressional staff and executive budget staff. The following discussion summarizes the research and important variables used in studying congressional staff, legislative staff, and executive budget staff. This discussion will provide a starting point for building a model of legislative fiscal analyst influence utilized in this study. These variables include: staff background, staff roles and relationships with other actors, staff duties and functions, staff influence, and manner of influence.

Important Variables in the Study of Legislative Staff

Staff Background

Staff background (education, training, previous employment, state of residence, recruitment, tenure, and career aspirations) has been analyzed with a variety of congressional staff (DeGregorio and Snider 1995; Fox and Hammond 1977; Hammond 1975, 1994; Kayali 1977; Kofmehl 1977; Romzek and Utter 1996; Salisbury and Shepsle 1981), state legislative fiscal staff (Balutis 1975; Farnum 1975; Hartmark 1975; Kyle 1975; Willoughby and Finn 1996), and executive budget staff (Gosling 1987; Lee 1991; Lee 1997; National Association of State Budgeting Officers 1999; Thurmaier and Gosling 1996; Tomkin 1998; Yunker 1990). For the purposes of the current research, research linking staff background to specific staff duties and

influence is of particular importance. The characteristics of the people who staff a legislative fiscal office may impact how that office operates in terms of products created and influence wielded.

For executive budget staff, at both the federal and state levels, research exists on educational background, staff size, and average salaries (Lee 1991; Lee 1997; National Association of State Budgeting Officers 1999; Tomkin 1998). Lee (1991) has documented the change in both the level of education and the educational background of executive budget analysts over two decades. The number of staff with master's degrees has increased, while staff with less than a bachelor's degree or with a doctorate remained small in number. Further, Lee notes that analysts with accounting backgrounds have been replaced with analysts holding degrees in the social sciences and public administration. Business administration and public administration together accounted for 51 percent of the staff in 1970 and 52 percent in 1995. "However, business administration was more than twice the size of public administration in 1970, whereas in 1990, the two disciplines were evenly balanced (Lee 1997, 137-138). During the same time period, Lee observed an increase in executive budget offices conducting program analysis, although this trend reversed itself after 1990. Nonetheless, the trend for more analysis from 1970 to 1990 could be a result of the change in the educational backgrounds of executive budget analysts.

In fact, the shift in educational background has been linked to specific role orientations of executive budget offices at the state level. Gosling (1987) studied budget offices in three states and identified distinct orientations of those offices: a policy orientation versus a control orientation. A budget office exhibiting a policy

orientation is one where the budget analysts review policy alternatives in response to agency requests and initiate policy proposals even when no agency request exists. In this role, budget analysts define policy problems, evaluate alternatives, and recommend options. On the other hand, a control-oriented office does not initiate policy and is primarily engaged in assisting agencies in financial management. The analyst in a control-oriented office is most likely to be an expenditure monitor and "number cruncher." Gosling found that analysts in control-oriented offices have predominantly business administration and accounting degrees while analysts in more policy-oriented offices are more likely to have a public administration or other social science degree. In this study, the different orientations of the budget offices are reflected in the backgrounds of people hired as budget analysts.

The work of Thurmaier and Gosling (1997) support the linkage between budget office orientation and the educational background of analysts. In addition, they uncovered another link, observing that educational background conditions the individual role orientation of the budget analyst with respect to the state agencies under her supervision. Analysts with a social science background are more likely to take on an advocacy role. The advocacy role is defined as one where the executive budget analyst advocates or supports agency programs and budget requests viewed as good public policy and consistent with gubernatorial objectives. In contrast, analysts with a business or accounting background are more likely to report a more adversarial or control-oriented role with respect to their agencies. However, more recent research, using a larger sample of executive budget offices, finds little support for the

linkage between the roles of executive budget analysts and their educational and professional background (Thurmaier and Willoughby 2001).

Data on legislative fiscal staff background at the state level is less numerous (Balutis and Butler 1975; Rosenthal 1981; and Willoughby and Finn 1996). One of the first descriptions of legislative fiscal staff characteristics is now over a quarter century old (Balutis and Butler 1975). This collection of essays describes fiscal staff educational and professional background in seven states. This work does not make comparisons among the fiscal staffs in those states or explore the relationship between background and the roles and duties of staff. From this collection of essays, one can discern that fiscal analysts in the 1970s held bachelor's degrees in a wide range of disciplines including accounting, economics, political science, public administration, mathematics, education, and law. Further, some analysts were recruited immediately after college graduation while others had previous experience in state government.

A more recent study by Willoughby and Finn (1996) of legislative fiscal analysts in nine southern states finds that the typical legislative fiscal analyst in the south is male, about thirty-nine years of age, and earns over $45,000 per year. Additionally, the typical analyst in the south has been on the job about six years, has previous employment in a state agency, and has completed a master's degree typically in business or public administration. Despite the recent work of Willoughby and Finn (1996) on legislative fiscal staff background, little is known about possible linkages between legislative fiscal analyst education and job duties, roles, and relationships with agencies.

Staff Roles and Relationships with Other Actors

Previous research investigates the relationships among different types of staff and between staff and other key actors in the policy process. Research has compared committee and personal staff, discussed conflict and interaction between partisan and nonpartisan staff, and analyzed the impact of different types of staff on the legislative process (Fox and Hammond 1977; Patterson 1970a and 1970b; Price 1971; Rosenthal 1971,1973; Rosenthal, Kost and Hill 1988; Salisbury and Shepsle 1981b). Of primary importance for the current study is that research which analyzes the relationships of budget and fiscal analysts with other key budget actors, in particular, governors, legislators, and agency personnel.

Executive Budget Analysts

The traditional role of the executive budget examiner in the budget process has been the adversarial "naysayer" or "cutter" role. Wildavsky's (1964) landmark study on the federal budget process identifies the role of the budget examiner "as a Presidential servant with a cutting bias" (Wildavsky 1964, 160). In explaining the roles of key budget actors, Wildavsky argues that budget analysts are aware that agencies pad their budgets. Therefore, the Budget Bureau "is compelled by agency advocacy to take a cutting role. Even where the Bureau is disposed to increase a program over the previous year, the chances are that the agency is requesting even more and there is little choice but to wield the knife" (Wildavsky 1964, 162).

While the common perception of the executive budget analyst is the "adversary," Davis and Ripley (1969) found that most budget examiners in the former

Bureau of the Budget acknowledge a neutral role with respect to the agencies under their purview. This reported neutrality was supported by interviews with the agency directors. In fact, adversarial and advocacy roles were found to be the exceptions among the executive budget examiners. More recent research indicates that the Office of Management and Budget (OMB) has become more politicized over the years (Heclo 1977, Johnson 1984, Johnson 1989). This change has affected the roles of the OMB examiners with respect to their agencies (Tomkin 1998). Most recently, Tomkin (1998) finds that the OMB has moved from a role orientation of neutrality to one of policy advocacy. This role orientation depends upon how each presidential administration uses the OMB. Some administrations encourage a more technical, "cutter" role and some emphasize a larger advocacy role. At times, these roles merge where the examiner takes on the responsibility for "policy policing" (Tomkin 1998, 74). In this role, examiners assume both a "naysayer" and advocacy role with respect to agency requests where the requests are evaluated on whether they are in accord with the president's policy priorities. Examiners may be actively involved in developing alternatives for programs that are a presidential priority and less so when there is no such priority.

In a study of executive budget analysts at the state level, Thurmaier and Gosling (1997) found that most analysts characterized their role with respect to state agencies as an advocacy role, although some analysts report multiple roles that vary with the phase in the budget process or with different agencies. Analysts in three states reported advocating for agency programs that they viewed as good public policy and consistent with gubernatorial objectives. Further, the advocacy role is

conditioned by the interaction between executive budget analysts and the governor (Thurmaier and Gosling 1997; Thurmaier 2000; Thurmaier and Willoughby 2001). In those states where executive budget analysts routinely brief the governor and have a personal affiliation with the governor, analysts are more comfortable taking on a policy analysis and development role with respect to their agencies. Whereas those analysts isolated from the governor are more likely to be "number crunchers" or budget technicians.

Legislative Fiscal Analysts

On relationships between legislative staff and agencies, less is known. In a study of the staff of the U.S. House Committee on Appropriations, Kayali (1977) found that the relationship between appropriations committee staff and executive agencies was cooperative, not antagonistic. Staffs interact most frequently with the executive agency budget official rather than the agency director. "The clerk of the committee describes this interaction as follows: 'Because of the unending flow of information of a fiscal nature that is required for the functioning of the appropriations process, staff members of the House Appropriations Committee share a bond of trust and respect with agency budget officers'" (Kayali 1977, 81-82).

At the state level, Duncombe and Kinney (1987) report that agency personnel feel it is important to maintain good relations with executive budget staff as well as with legislators and legislative fiscal analysts. State agencies take the legislative staff role seriously and try to maintain good relations with staff.

On relationships between legislative fiscal staff and legislators, some research focuses on the presence of shared values and perceptions about the primary role of staff and the fiscal committee. Fenno's (1962) study of the U.S. House Appropriations Committee revealed shared perceptions among committee members and committee staff on the tasks of the committee. Both members and staff shared the view that the primary role of the committee was to protect the treasury. Likewise, a study of the Legislative Budget Board (LBB) in Texas yielded the same type of shared perceptions by legislators and fiscal staff (Butler 1975). Both LBB staff and members reported that the primary tasks of the LBB were to cut agency requests and improve agency operations. Because of these shared perceptions of the appropriate role of the LBB, members of the budget board generally accepted the recommendations of the staff and reported high confidence in the LBB staff's ability to make objective recommendations congruent with the LBB role in the budget process.

Many questions arise from the literature on staff roles and relationships with other budget actors. What types of interaction occur between legislative fiscal analysts and members of the state legislature? Do legislative fiscal analysts and legislators perceive the same role for staff in the legislative process? What is the relationship among legislative fiscal analysts and rank and file members, appropriation committee members, and appropriation committee chairs? How do legislative fiscal analysts perceive their role with respect to the agencies under their purview? While agency personnel report the significance of establishing good relations with legislative fiscal staff, what is the nature of this relationship?

Staff Duties and Functions

Legislative staff duties have been identified and described in a variety of research at the congressional level (Burks and Cole 1978; DeGregorio 1994,1995; Fenno 1966; Fox and Hammond 1975b, 1977, 1994; Green and Rosenthal 1963; Kofmehl 1977; Patterson 1973, 1977; Price 1971; Romzek and Utter 1996; Rundquist, Schneider and Pauls 1992; and Saloma 1969) and at the state level (Balutis and Butler 1975; Jones 1988; Snow and Clark 1999; and Weissert and Weissert 2000).

For the purposes of the current research, studies providing patterns and typologies of staff duties are useful as a starting point for assessing whether these duties correspond to different levels of staff influence. A review of these staff typologies and patterns follows.

In his study of the personal and committee staffs of Congress, Patterson (1970a) found that the two types of staff engage in different activities and serve different purposes for members of Congress. The personal staffs of members are oriented to political activities, such as the re-election of the member or responding to constituent requests, while committee staffs provide technical information. However, Price's (1971) study of four Senate committee staffs indicates that not all committee staffs are information specialists or technicians. Price identified two types of staff: the "policy entrepreneur" and the "professional." While both types of staffers held high levels of expertise in their specific policy areas, analyzed proposals, and drafted bills or amendments at the request of senators, important differences came to light. For the "professional," neutrality and expertise were the basic norms and analyzing proposals was the main task. The "policy entrepreneur" was more committed to

activism and partisanship. This type of staffer continuously searched for policy gaps and opportunities. "He was more willing to use his position to implement his own policy preferences and to let political considerations influence the role he assumed...in the end he valued creativity more than expertness and did not hesitate to establish a particular identification with the interests and ambitions of the chair or of other members" (Price 1971, 335). For the entrepreneur, partisan and personal considerations guided staff work and directed him to particular objectives. In contrast, the "professional" remained neutral with respect to various senators and proposals and kept his own personal preferences at bay. Burks and Cole (1978) pursued the entrepreneur-professional dichotomy in their 1974 survey of the role orientations of congressional aides. This study finds that most aides perceive themselves as a mixture of the professional and the entrepreneur.

Fox and Hammond (1975b, 1977) identify five professional staff activity patterns of the personal staff of U.S. Senators. *Interactors* handle constituent projects and casework, meet with lobbyists or special interest groups, and visit with constituents. S*upporters* work on legislative research and bills, draft speeches, and floor remarks. C*orresponders* are typically the secretaries and clerks who handle requests for information and draft correspondence. A*dvertisers* are the press aides. Finally, the *investigators* handle oversight issues regarding the executive and judicial branches. Of these five patterns, Fox and Hammond observe that those staffers taking on the *interactor* role have tremendous responsibility and authority and are often senior professional aides.

Building upon Price's professional/entrepreneur typology, DeGregorio (1988) provides a more recent review of House and Senate staff work styles. In a survey of high-ranking House and Senate staff directors of congressional subcommittees, DeGregorio identified four unique staff working styles. Similarly to Price, DeGregorio discovered entrepreneurial staffers who are guided by both their personal preferences and the wishes of the subcommittee members. While DeGregorio finds that entrepreneurial aides do not advance their own personal preferences if they undermine or conflict with those of the legislators, these staffers do use "...ingenuity and expertise to search for initiatives that advance personal interests and at the same time serve the interests of the superiors (DeGregorio 1988, 465). Most closely representing Price's "professional" role are the technicians. Using their substantive expertise, they help the legislators make decisions. Technicians are less attached to policy outcomes than the entrepreneurs who have strong preferences about the direction policy changes should take.

Adding to Price's typology, DeGregorio found two additional work styles. Politicos are those aides who exhibit loyalty to the committee chair. These aides have close personal relationships with the chair and report that their main function is to ensure that the chair gets what he or she wants. Their loyalty to the chair surpasses their own personal policy preferences. Finally, the remaining staff aides (the majority of aides interviewed) did not fit into one of these three categories, reflecting the wide variety in the work styles of congressional staff. In an attempt to more precisely link duties with influence, DeGregorio (1994) identifies a "hierarchy of services" provided by House and Senate high-ranking committee aides of the U.S. Congress. Each aide

reported the services he or she believed to be the most important to members. Services receiving the highest ranking included: protecting committee chair from surprises, furnishing factual information on the substance of bills, and reporting on the political reception a bill faces. DeGregorio found that the rankings of these three services were very high among all aides and that individual and organizational characteristics had little or no bearing on their provision. "Everyone at the senior level gathers facts that are instrumental in formulating policy and in protecting legislators" (DeGregorio 1994, 6).

However, for activities thought to be more closely associated with influence, less regularity was found among the interviewees. Negotiating minor issues, coming up with ideas for new policy initiatives, and providing judgments about the political implications of bills received moderately high rankings, but with less consistency than the first three types of services. Finally, negotiating major issues and developing explanations of Washington activities for constituents back home received low rankings from most of the committee staff. The low rankings of these services are attributed to two factors. When major decisions have to be made, aides call in the members. The unelected status of the staffers precludes them from making deals on issues with major ramifications. With regard to providing explanations of Washington activities, committee staffers report that the personal staffs of legislators typically provide this service as these individuals tend to be more familiar with the member's district.

DeGregorio (1995) continues this line of research and further explores the factors that explain variation in staff involvement in the "hierarchy of activities." In explaining the variations among staff aides, DeGregorio arrives at several conclusions.

First, staffers who work for busy members and committees report higher than average involvement in information gathering and negotiating minor issues for the chairs. Second, committee chairs are more likely to delegate more substantial policy or political work to aides who are trusted and loyal. "Committee chairs are more inclined, for example, to defer to aides who join congressional committees out of loyalty to the chair and when partnerships endure for longer than average periods of time (DeGregorio 1995, 274-275). Committee chairs "...report either retaining the sensitive negotiations for themselves or delegating selectively – only after staff demonstrate their powers of discernment" (DeGregorio 1995, 274). Third, aides and chairs have similar views about the provision of services. Committee chairs report that staff aides are called upon more to provide substantive information as opposed to political information and advice. This supports the aides' perceptions as to the most important service provided to committee members.

Few studies specifically on legislative fiscal staff have attempted to develop typologies, although several works identify primary functions and describe the role of legislative fiscal staff in the budget process. Balutis and Butler (1975) provide the first examination of legislative fiscal offices by describing the nature of staff work Seven essays describe the primary functions and duties of the legislative staff office or fiscal committee staff in New Mexico, Florida, Michigan, Illinois, Wisconsin, New York, and Texas. Each of the essays describe the role of legislative staff as assisting in the creation of public policy by providing the basic facts needed by decision makers. These essays describe both fiscal committee staff and nonpartisan central office fiscal staff. Common staff duties can be gleaned from the essays. Generally, all fiscal

analysts are assigned a single state agency or a group of agencies or policy areas. All staffs provide some level of budget analyses of agency requests and gubernatorial recommendations. Presenting information before the money committees is a common function, as is staffing committees, preparing fiscal analyses or notes, and developing budget bill summaries. In addition to the above duties, legislative fiscal analysts in Florida and Texas prepare independent revenue estimates and prepare budget recommendations for the legislature.

Another more recent publication is similarly descriptive of legislative staff functions. Donlan and Weberg (1999) of the National Conference of State Legislatures compiled a 50 state profile describing the basic duties of each legislative fiscal office and/or fiscal committee staff. This research was compiled based upon surveys of legislative fiscal office staff. The duties and functions of legislative fiscal staff represent a variety of services performed, but many are common to all staffs. These duties include but are not limited to: analyzing agency budget requests and executive recommendations; preparing fiscal notes; drafting appropriation bills and amendments; tracking bills with fiscal impact; conducting research at the request of committees or individual members; staffing fiscal/budget committees and subcommittees; and presenting budget analyses to committees. As documented in Balutis and Butler (1975) some staffs have additional duties. Fiscal analysts in some states are also responsible for estimating revenues; participating in writing budget preparation instructions for executive branch agencies; and developing policy options and making budget recommendations to the fiscal/budget committee.

Snow and Clarke (1999) make the first attempt at providing some insight into why and how work differs among legislative fiscal staff. They created a typology linking the type of staff work to specific organizational structures based on telephone interviews with 25 legislative fiscal office directors. Snow and Clark identify two types of staff: facilitators and leaders. Facilitators provide legislators with information such as an analysis of agency budget requests, executive recommendations, explanations for significant deviations from past appropriations, and other technical data. This information helps legislators make their own budget recommendations. Leaders, however, prepare budget recommendations for the committee and these recommendations are debated along with executive recommendations and agency testimony.

Snow and Clarke further identify staffs with political missions and those with institutional missions. Staffs with political missions are partisan offices. These partisan staffs are typically associated with a party caucus in each chamber. Also, staffs working for the appropriations committee in one chamber may have political missions as well, particularly if hired by the committee chair representing the majority party. This latter arrangement is referred to as a bipartisan staff. Staffs with an institutional mission are typically centralized, nonpartisan staff loyal to the legislative institution, as opposed to a particular party or chamber. Table 2.1 shows that bipartisan committee staff and party caucus staff most often provide technical assistance to committee chairs and party leaders, respectively. On the other hand, providing budget recommendations, policy advice, and technical assistance are duties most closely linked to nonpartisan central staff.

Table 2.1
Typology of Staff Type and Primary Role

Staff Type	Primary Role in Hearings and Deliberations
Bipartisan Committee Facilitators	Facilitator with committee chair
Partisan Caucus Facilitators	Serve the needs of the party caucus
Institutional Leaders	Recommendations in budget hearings
Institutional Facilitators	Technical support in budget hearings

Source: Adapted from Snow and Clarke (1999, 15).

The work of Snow and Clarke leads to the assumption that staffs representing the "institutional leaders" may have more influence in the process than the facilitators due to their independent preparation of budget recommendations from which legislators deliberate.

The previous research on staff work styles and typologies provides us with general descriptions of legislative fiscal analyst duties and functions. From these descriptions and typologies, one can begin to assess if various staff duties and typologies are associated with different levels of influence.

Staff Influence

Legislative staffs are influential. There is anecdotal evidence of this power at both the Congressional and state level (Malbin 1980; Rosenthal 1981; Bisnow 1990). In the early 1970s, Balutis (1975b) assessed legislative staff influence based upon the perceptions of influence held by staff, legislators, agency personnel, and lobbyists.

Staff members reported being influential in the budget process and legislators, agency personnel, and lobbyists corroborate this perception. Staff influence stems from staff expertise, the ability to provide information to members, acting as information conduits between legislators and other groups involved in the budget process, and by selecting and compiling much of the information on which legislative decisions are made.

Rosenthal (1974) studied fiscal staff impact on budget review by the Joint Finance Committee in the Wisconsin legislature. In the year prior to creating a legislative fiscal staff, the Joint Finance Committee made approximately 16 changes to the budgets for higher education and public welfare. This number increased to 29 the next year when the Committee had the services of a fiscal staff. Likewise, the dollar changes made in both the higher education and public welfare budgets changed significantly with the addition of a fiscal staff (Rosenthal 1974, 158-159). Rosenthal reports that after the committee had the support of legislative fiscal analysts, agency behavior and executive budget office behavior changed where

> [a]gency representatives check with fiscal analysts prior to formulating budget requests. They take greater pains than previously in preparing and justifying agency proposals in order to minimize their vulnerability. The behavior of the governor and his budget advisors has also changed. Even before executive budget hearings, the Bureau of Management cautions agencies to cut items in anticipation of legislative staff scrutiny. During executive hearings, the governor's advisors devote particular attention to those areas most likely to receive critical staff examination.

These findings are supported by research in New York state showing similar behavioral changes in agency personnel, governor's staff, and executive budget officials after the creation of the legislative fiscal office (Balutis 1975b).

Two recent surveys of legislators at the state level provide evidence of the increasing legislative staff influence over the past two decades (Carey, Niemi and Powell 1998; Moncrief, Thompson, and Kurtz 1996). In research to ascertain changes in the influence structure of state legislatures, Moncrief et al., reported " A substantial majority of respondents perceived that the influence of media and committee staff had grown during their time in the legislature. In both cases, well over half of all respondents felt the influence of these two groups had increased some or a great deal" (Moncrief et al. 1998, 60). This research also found that legislators viewed the increase in staff influence "as positive and necessary" to deal with complex issues and the need for information (Moncrief et al. 1996, 60-61). Similarly, Carey, Niemi, and Powell (1998) report an increase in staff influence in term limited states.

In a study of executive budget staff at the state level, Gosling (1987) researched staff influence on gubernatorial budget policy by measuring influence in two ways. First, he analyzed the perceptions of influence by staff and key budget actors. Second, Gosling analyzed the congruence between staff recommendations and gubernatorial acceptance of those recommendations. This research consisted of a three state case study where executive budget analysts, budget office team leaders, and agency directors were interviewed. The Gosling study found that executive budget analysts clearly believed that they influence the budget process. This perception of influence was consistent with responses from both the team leaders and agency

directors. This perception of influence is supported by the high congruence between analyst appropriation recommendations and the executive budget office recommendations and final executive recommendations on the budget.

Also building upon the Patterson model presented earlier in this chapter, Weissert and Weissert (2000) posit that influence is a combination of three key staff functions: agenda setting, proposal shaping, and information gathering. As did DeGregorio, health policy staffers were asked to identify and provide examples of agenda setting, proposal shaping, and information gathering. All staff interviewed reported that gathering information was their primary function. All analysts, therefore, contributed to this aspect of influence. However, less staff provided specific examples of agenda setting and proposal shaping.

Weissert and Weissert further attempt to unravel the factors associated with influence. They identify two institutional constraints that may impact influence: staff hiring practices and committee chair experience. The researchers hypothesized that committee chairs with the ability to hire staff would result in an increase in staff influence. Likewise, experienced committee chairs would also result in an increase in staff influence due to the increased level of trust between analyst and committee chair. This five state study largely supported the researchers' hypothesis that the institutional factor of chair experience is a good predictor of trust. Analysts reported higher levels of trust more often with experienced chairs. Further, those analysts reporting being trusted by the committee chair also provided examples in the areas of information gathering, agenda setting, and proposal shaping that lead the researchers to view them as the most influential in this study. Therefore, the institutional factor of

chair experience impacts trust, which is important to the level of influence. This study is consistent with other research on the importance of trust between legislator and staff (DeGregorio 1995; Guston, Jones, and Branscomb 1997). For instance, Guston et al., found that one of the most significant factors in the use of technical information and analyses developed by staff was the characteristic of trust where members are more likely to be persuaded by a piece of information if it comes from a trusted staff member.

In one of the few studies specifically dedicated to legislative fiscal staff at the state level, Snow and Clarke (1999) discover that influence varies at different points in the budget process depending upon the organizational structure of the fiscal staff. Table 2.2 shows that bipartisan committee staff (staff who work for the appropriations committee in either the House or Senate chamber) and partisan caucus staff most often influence committee chairs and party leaders during committee and caucus negotiations. On the other hand, institutional leaders and facilitators, which are typically nonpartisan, centralized fiscal offices, are most likely to be influential prior to and during budget hearings.

Table 2.2
Staff Type and Primary Point of Staff Influence

Staff Type	Primary Point of Influence
Bipartisan Committee Facilitators	Brief committee chair, support conference committee negotiations
Partisan Caucus Facilitators	Brief party caucus and party leaders, support conference committee negotiations
Institutional Leaders	Committee and subcommittee hearings. Agenda setters through presentation of preferences.
Institutional Facilitators	Preparation of information foundation for budget hearings.

Source: Adapted from Snow and Clarke (1999, 15).

The literature just presented provides a range of research on the influence of legislative staff in all facets of the public policy process, as well as more precise measurements of influence primarily using typologies and hierarchies of services. However, little research has been conducted specifically on fiscal analysts operating in the legislative branch.

Research also seeks to understand the impact of staff at different stages of the policy cycle: agenda setting, proposal shaping and policy formation, and policy adoption. The following discussion explores staff influence in the policy process as information gatherers, agenda setters, problem identifiers, proposal shapers, and as a direct influence on the final voting decision.

Staff as Information Gatherers, Agenda Setters, and Proposal Shapers

Patterson (1970a, 1970b) provides one of the first conceptualizations of staff influence. Patterson identifies four staff capabilities that reveal the degree to which

committee staff participate in the legislative process: intelligence (providing legislators with information), innovation (presenting legislators with policy alternatives), integration (the degree to which the staffs are internally cohesive and cooperative with each other, the governor's staff and executive agency staff) and influence. Influence is a function of the other three capabilities. It represents the ability to provide and analyze information, draft legislation, and give advice or policy options. Patterson's conceptualization has been used as the framework for future studies on legislative staff.

Balutis (1975b) uses the Patterson approach in his study of the professional staffs of the legislative finance committees in the New York state legislature. Balutis found that the New York staff contributes to the budget process in all four ways (intelligence, innovation, integration, and influence). Legislative staffers perform a variety of functions that direct and filter the flow of information to members and this makes staff influential in the process. By scheduling meetings and testimony, tracking bills, analyzing proposed bill changes, drafting appropriation bills, and offering policy alternatives and options, staff carry out the intelligence and innovation functions. Staffs fulfill the integration function by acting as information conduits between the executive and his staff, agency personnel, and legislators. By engaging in these activities, Balutis argues that staffers are influential in the process.

The policy analysis and evaluation literature also sheds light on staff influence by investigating whether legislators use information and analyses prepared by legislative staff. These studies find that legislative staffers are key players in the collection of information about public issues and in the formulation of proposals to

address those issues (Gray and Lowery 2000; Guston, Jones, and Branscomb 1997; Hammond 1990; Kingdon 1984; Whiteman 1995; Sabatier and Whiteman 1985).

At the Congressional level, Kingdon's 1984 study of the U.S. Congress identifies the key participants in identifying the problems for study and in the development of alternatives for solving those problems. Two different groups emerge from Kingdon's study. As visible participants, the president, Congress, party leaders, high level political appointees, and the media were most influential in the problem identification stage. In the second stage of the policy process where policy alternatives are generated, Kingdon found that the invisible participants, career civil servants, congressional staffers, and policy specialists outside of government, were more influential.

The importance of the "invisible cluster" identified by Kingdon is underscored by Whiteman's (1995) enterprise perspective on congressional decision-making. An enterprise refers to a member, her personal staff, and the appropriate committee staff. This enterprise deals with a variety of representatives from interest groups, support agencies, executive agencies, state and local governments, constituents, and other staff. It is through this interplay with these interested parties, that staffers play a primary role in gathering information needed to shape legislative alternatives and in formulating an enterprise position on an issue. Whiteman identifies four information search patterns typically used by staff based on the scope of the search objective and the range of sources consulted. Each search pattern includes a different network of people or groups. Some search patterns are very narrow, while others incorporate a wide variety of group input. Whiteman concludes that congressional staffers are

influential as disseminators of information. They seek out different information sources with each search pattern and, thus, different voices and perspectives are heard and valued when members of congress formulate proposals and make decisions.

The critical function of staff as information disseminators has changed in recent years argues Hammond (1990). Hammond finds that congressional staffers have increased their issue expertise and this has lead to increased opportunities to play a significant role in the legislative process. "They [staff] filter information and their expert judgment sets parameters for decision making and determines the decision details. Also, they serve as information sources for members and communication links between staffs and members" (Hammond 1990, 64). One might argue that staffs at the state level are in a better position to set the agenda and act as information links due to institutional constraints such as shorter legislative sessions, term limits, and higher turnover in general.

Research at the state level supports the importance of staff as information disseminators. In an 11 state study of legislators, legislative staff ranked as the most important source for technical information and analysis in six of the 11 states, with executive agencies coming in at a close second (Guston, et al. 1997).

The work of Gray and Lowery (2000) upholds previous studies as they found that Minnesota legislators rated legislative staff high as sources of information for legislators, particular in the policy formulation stage. Just as Balutis reported some twenty-five years ago, staffers are important information conduits. Gray and Lowery found that staffers rely on a variety of sources of policy expertise, including executive

agency officials, legislative study commissions, and what is happening in other states to disseminate information to legislators.

The previous discussion indicates that staffs at both the congressional and state level are important information sources for legislatures. Influence occurs through the information gathered, the sources used, and how it is presented to legislators.

Staff in the Policy Adoption Stage

While studies show that staff can be important actors in providing information and in developing alternatives for legislative action, less research finds a strong staff impact on the actual voting decision of legislators. The voting decision of legislators has been a subject of research in Congress (Matthews and Stimson 1975; Kingdon 1981) and in the state legislature (Hurwitz 1988; Mooney 1991; Patterson 1996; Songer et al, 1985; Wahlke et al, 1962). A wide variety of actors have the potential to shape the vote choice of legislators: constituents, party leaders, legislative colleagues, lobbyists, and staff. This research shows that at the congressional level, staffs do not appear to be major influences upon the vote choice of members. At the state level, the evidence is mixed regarding the impact of staff on the voting decisions of legislators.

A study by John Kingdon (1989) on congressional floor voting in the U.S. House of Representatives indicates that staff is less of an influence on the direct voting decisions of members of congress than perceived by scholars and political observers. In comparison to other key actors (constituents, administration, interest groups, party leaders, and fellow congressmen) potentially influencing members of Congress, staff

was the lowest reported influence on decisions by members of Congress. Kingdon posits that either staff influence is extremely subtle, or it is present only in those areas where the member has a particular interest (202). However, Kingdon did find that staff importance increases with less senior members of the House of Representatives. Kingdon (1989,202) assumes that for junior members

> [i]t takes some period of time for congressmen to develop either habitual patterns of voting or comprehensive sets of fellow congressmen to whom to use for cues; in that period of feeling one's way, the congressman uses his staff more than he does after a few years in the House. Apparently, here because of political uncertainty back home, the congressman will consult with his staff more frequently, in order to check the possible political ramifications of his vote. Congressmen from safer districts, on the other hand, appear to have less of this sort of problem.

Kingdon acknowledges that his observations in the late 1960s, if done today, might yield different results. With increased staff and number of floor votes, it is likely that staff influence on floor voting decisions has also increased, although Kingdon does not believe staff to be a primary influence on floor voting decisions. Kingdon's study finds that fellow congressmen and constituents are the most influential individuals on the floor voting decisions of U.S. House members.

Likewise, Songer et al. (1985) and Hurwitz (1988) find little support for staff influence on the vote choice at the state legislative level. These state studies report far more reliance on the personal values and opinions of individual members as the most significant determinant of the voting decision. In a more recent study, Mooney (1991) finds that "insiders" contribute more to the roll-call voting decisions of members than "outsiders" in the three state legislatures studied. Legislators'

colleagues and legislative staff comprise the "insiders" while the media, individuals from other units of government, and academics represent the "outsiders." Mooney argues that insiders contribute to roll call voting because the information provided by this group is simplified and easily accessible to the member. In the development of legislation, Mooney finds that outsiders were more important than the insiders arguing that in writing bills, legislators have the time to use the complex and difficult information from outside sources (Mooney 1991, 451).

Much of what has been presented derives from work at the congressional level. Little work has been specifically carried out on state legislative fiscal staff. This literature presents evidence that staffs are important sources of information for decision makers. Therefore, the staff function of collecting, summarizing, and disseminating information makes them influential. However, influence may occur in other ways as well. Influence can be indirect and it can be difficult to detect. It is the subtle nature of influence that we now turn.

Manner of Influence

Despite both anecdotal and empirical evidence of staff influence and power, what specific impact do these unelected individuals have on legislative deliberations and outcomes? Because staffers do not vote or sponsor legislation, items that are quite visible for measuring the activity of legislators, legislative staff influence is a difficult concept to assess and quantify. Patterson (1970a) defines influence as "the powers behind the scene." In most cases, legislative staff work does indeed occur "behind the scenes." Some staff functions can be highly visible such as written

documents analyzing agency requests and executive recommendations, memos and letters providing information on a state program or activity, presentations in committee meetings, and bills or amendments drafted on behalf of legislators. Beyond the more recognizable duties and functions of staff, there may be more subtle displays of analyst influence on the decision making of legislators. These displays could take the form of preparing questions for members to ask of agency personnel during budget hearings, keeping members informed of a particular issue of interest, or ordering agenda items in a particular fashion. Little is known about these often unseen or undocumented sources of influence for legislative fiscal analysts.

However, there is an entire body of research on agency behavior and agency strategies for increasing budget success. Several budgeting scholars have identified "acquisitiveness" as one strategy used by agencies to increase budget success. Agencies that are highly acquisitive, or those that ask for large budget increases, are more successful in acquiring large increases over their previous year's budget than agencies that do not exhibit acquisitive behavior (Bozeman 1977; Le Loup and Moreland 1978; Sharkansky 1968; Thompson 1987). Wildavsky (1984) has also identified some general strategies used by agencies to build support for their agency's budget request. These strategies include the ability of the agency to develop an active clientele in order to mobilize support for the agency and the development of confidence and trust of other budget actors. Budget decisions by elected officials often based on the judgments of agency administrators. These judgments are more likely to be accepted if the elected officials have confidence and trust in the agency officials. Other scholars report that agency budget success derives from establishing good relations

with key budget actors including the legislature and legislative staff (Duncombe and Kinney 1987). Finally, agencies also use a variety of strategies to respond to cuts, reforms, and the initiation of new programs (Kettl 1992; Levine 1978; Mikesell 1995; Rubin 1985; Schick 1973).

The Weissert and Weissert (2000) study of health policy staff reveals some specific strategies used by staff to influence the agenda setting stage of policy making. For instance, one policy staffer reported using an intern to research issues that might be of importance to members. The staffer would then disseminate this information and present possible problems and solutions to legislators. Other staffers report "shopping" an idea around to see if legislators are interested in pursuing it. The educational activity is one that Weissert and Weissert found quite frequently among staff. Some staff report using workshops to where legislators and experts discuss issues, or attending a conference on a particular issue and then informing legislators about that issue (Weissert and Weissert 2000,1137-1139).

Factors Conditioning the Influence of Legislative Fiscal Analysts

The study of legislative fiscal analysts is hampered by a multitude of problems due to the vast array of organizational and structural arrangements. "It is probably safe to say there is more variation between state legislatures than any other institutions of state government " (Hamm and Moncrief 1999, 144). The presence of term limits, state legislative professionalism, various staff arrangements and size, and gubernatorial-legislative relationships are just a few of the variables that must be considered when studying legislative fiscal staff. As with all legislative staff, fiscal

staff are also constrained by the organizational setting in which they work. Staff cannot sponsor legislation or vote and the norm of anonymity often prevents them from playing a public part in the decision-making process (Light 1992; Bisnow 1990; Patterson 1970a). Therefore, studying legislative fiscal analyst influence is difficult due to the nature of analyst work, their subtle role in the budget process, and the diversity of the 50 states. Several of these factors are discussed below as well as their potential to impact the influence of legislative fiscal analysts.

Legislative Professionalism of State Legislatures

Not all legislatures are equally endowed with legislative capacity due to differing levels of professionalism among state legislatures. Hamm and Moncrief (1999) categorize all 50 state legislatures based upon the differences in session length, size of legislative operations, and salary. There are substantial differences between the states in regard to these items. Some state legislatures such as California and New York meet almost year-round, much like Congress, and employ several hundred staffers. At the other end of the spectrum, legislatures such as North Dakota, Wyoming, New Mexico, and Utah meet only in session for a few months each year. According to Hamm and Moncrief, nine states are categorized as professional legislatures with nearly year-long sessions, high pay and large staffs while 16 states are citizen legislatures with relatively low legislator salary, short legislative sessions, and small session staffs. The majority of states (25) fall somewhere between the professional and citizen legislature and are referred to as hybrid legislatures (Hamm and Moncrief 1999, 145).

According to Theileman (1994), as a legislature becomes more professional so does their staff support. Larger, more professional and specialized staffs, therefore, are likely to be found in the "professional" legislatures. An argument can be made that the more professional and specialized staff become, the more influence they have over the development of budget policy.

Gubernatorial - Legislative Relationships

The relationship between the governor and the legislature in the budget process impacts the duties and roles of fiscal analysts, and potentially, their influence in the process. Clynch and Lauth (1991) divide states into three categories of gubernatorial – legislative relations based upon constitutional language and statutes outlining the responsibilities of each branch in the budget process. In legislative dominant states, both branches receive agency budget requests simultaneously, thereby giving legislative fiscal staff more time to review agency requests than in those states where agency requests are submitted to the legislature when the executive budget is submitted. Texas is a legislative dominant state. The Texas Legislative Budget Board (LBB) has a large fiscal staff that develops revenue forecasts and prepares budget recommendations for the LBB. These activities are typically the responsibility of the executive branch in other states. In Texas, the legislative budget drives legislative deliberation, not the executive budget.

In executive dominant states, however, the legislature is at an information disadvantage as legislators do not receive copies of agency budget requests. The National Conference of State Legislatures identifies eight states where the legislature

never receives agency budget requests (Grooters and Eckl 1998). Governors present the budget document and this is the starting point for legislative deliberation. In executive dominant states, governors may also have strong veto powers as well as the primary responsibility for revenue forecasting.

Some states fit the mixed state model where the governor's budget is the starting point for the legislature, but legislators and staff receive agency requests and recommendations. Unlike executive-dominant states, legislative staffs have the opportunity to review, analyze, and disseminate information to legislators. Some legislative staffs have longer periods of time to review agency requests than others. As discussed earlier in this chapter the receipt of agency budget requests by the legislature varies from state to state, with some 33 legislatures receiving the requests before the executive budget is prepared and the remaining states receiving the requests after executive budget preparation or not at all (Grooters and Eckl 1998).

Therefore, the constitutional and statutory powers of the legislature regarding the budget process may impact the duties, roles, and influence of fiscal staff in that process. Legislative staff may be more influential in the development of budget policy in a legislative-dominant state. In a legislative-dominant state, the legislature provides fiscal analysts with the authority to make recommendations that could lead to higher levels of influence compared to fiscal staffs with no such authority.

Term Limits

Term limits are currently in place in 17 states (National Conference of State Legislatures 2002a).[2] One consequence of term limits is the loss of experienced

legislators. This loss of expertise and knowledge of the legislative process as well as state programs and services may cause a power shift toward other actors. In those states with legislative term limits, it is expected that fiscal staff may have more influence due to the inexperience of term-limited legislators. Research indicates that in term-limited legislatures, power shifts to legislative staff and sometimes to committee chairs (Carey, Niemi, and Powell 2000). An ongoing study by the National Conference of State Legislatures finds that legislative staff report that they exert more influence in the legislative process as a result of term limits (NCSL 2000). In some of the early research on staff influence (Patterson 1970a, 1970b), higher levels of influence were associated with inexperienced committee chairmen or junior members who are just learning the ropes. From this body of research one can argue that term limits reduces the knowledge of members, thus increasing staff influence.

However, there is a growing body of literature presenting a different view of the impact of term limits with regard to the influence of legislative staff. Some scholars argue that term limits will reduce the trust between legislators and staff where the member may be more prone to get information and advice from sources other than staff (Weberg 1999; Weissert and Weissert 2000). And as previous work found (DeGregorio 1995), committee chairs are more likely to delegate authority to congressional staff aides with whom they have a longstanding and comfortable relationship.

Budget Cycle

Since the late 1940s, the trend for states has been to move from biennial budgeting to annual budgeting. Currently 30 states operate on an annual budget cycle, 11 states have a biennial enactment of two annual budgets, and the remaining states have a biennial enactment of a true biennial budget (Grooters and Eckl 1998). Although most states budget annually, Arizona and Connecticut have recently returned to biennial budgeting (General Accounting Office 2000). Proponents of biennial budgeting argue that it frees up time greatly needed to undertake more legislative oversight and agency financial management and program effectiveness. Those opposing biennial budgets cite the difficulty in revenue forecasting and the inability of biennial budgets to respond to changing economic or programmatic conditions as the two major pitfalls (Sutberry 1998). While the conflict over the efficacy of annual versus biennial budgeting continues, the budget cycle itself may be an important factor in legislative staff influence. It is expected that fiscal analyst influence increases in those states with biennial budgets. Snell (2000) indicates that biennial budgeting reduces the legislators' familiarity with budgets, therefore increasing the need to rely on staff knowledge on the budget. It is also argued that in biennial budget states, governors are thought to have the edge in both planning and implementing state policy and programs (Thurmaier and Willoughby 2001). However, there does not appear to be a link between formal gubernatorial powers and the budget cycle (Snell 1995). If legislators have less knowledge about the budget or if they perceive the governor as having the edge in the process, they may rely more on their legislative fiscal staff to provide information and keep them informed on budgetary matters during the interim.

Staff Duties and Functions

Staff duties may also determine the degree of influence. Previous research on fiscal staff work generally describes job duties and functions of the fiscal office but little is known whether those duties and functions are linked to differing degrees of influence. While most fiscal staffs are responsible for a common set of duties and functions such as providing general fiscal and programmatic information to legislators, reviewing and analyzing agency requests and/or executive recommendations, and staffing fiscal committees, other staffs go beyond these common functions. Some staff are involved in more policy oriented functions such as the provision of staff budget recommendations and budgetary advice. Therefore, some staff duties may be more conducive to promoting influence than others. It is expected that analysts providing budget recommendations are more influential than their counterparts who do not.

Size of Fiscal Staff

Just as there is variation in staff duties and functions, legislative fiscal staff size varies as well. Some states have large fiscal staffs such as California's Office of Legislative Analyst and Texas' Legislative Budget Board. Other state legislatures may have as little as three or four fiscal analysts serving the entire legislature. The size of staff may play a role in the degree of influence. It is expected that the larger the staff, the more influential the legislative analyst. Larger fiscal staffs may give the individual analyst the opportunity to specialize in one or two policy areas. She can more easily become an expert in those areas as opposed to an analyst in a smaller office. There is at least anecdotal evidence to suggest that staffers with a more narrow

policy or program interest may wield more influence (Hammond 1990). The analyst in a small office may be responsible for many agencies and policy areas, thus taking on a generalist role.

Legislative Fiscal Analyst Tenure

In addition to institutional and organizational factors, individual fiscal analyst characteristics may also alter influence. Legislative fiscal analysts with longer tenure in their position may have more influence due to their institutional memory and expertise. The literature on bureaucrats (Rourke 1984) indicates that bureaucratic power results from institutional memory and expertise. Bureaucrats have much longer tenure than elected officials and high-level appointees. Specialized knowledge, coupled with longevity, make bureaucrats important actors in public policy decisions. Researchers studying legislative staff draw the same conclusions (Malbin 1980; Rosenthal 1991; Weissert and Weissert 2000). In fact, Weissert and Weissert (2000) argue that fiscal staffs may be more influential than other types of staff because of their detailed knowledge of the budget not often shared by others. Therefore, it is asserted that legislative fiscal analysts with longer tenure are perceived to be more influential than less-tenured analysts.

Legislative Fiscal Analyst Contact with Key Budget Actors

Legislative fiscal analyst contact with key budget actors may also increase influence. Thurmaier and Gosling (1996) in their study of executive budget analysts found that budget analysts who frequently interact with the governor in various briefings and meetings are more likely to present an independent and objective analysis

of the agencies under their purview as opposed to simply acting as "number crunchers." Thurmaier and Gosling hypothesize that this frequent contact makes the analyst more comfortable in that relationship and thus gives the analyst the ability to present independent analyses. Studies of congressional staff also indicate that a long and loyal relationship between staffer and legislator increases the likelihood that the legislator delegates more important work to the staffer (DeGregorio 1994).

Little information is known about the kinds of relationships found between legislative fiscal analysts and other budget actors. Are there different patterns of contact among legislative fiscal analysts within states and between states that impact these relationships? What are the relationships that legislative fiscal analysts have with agency personnel and their executive budget office counterparts? How visible are legislative fiscal analysts in the budget process. Do they attend committee meetings or are they present in the House or Senate chamber when appropriation bills are debated? It is asserted that legislative fiscal analysts with frequent contact with budget actors are perceived as more influential in the budget process. It is assumed that legislative fiscal analysts with high visibility in the budget process will be perceived as more influential in that process.

Legislator Tenure in Office

Individual legislator characteristics can play a factor in analyst influence as well. Legislative fiscal analyst influence may increase as the tenure of the legislator on the appropriations committee decreases or as tenure as chair decreases. Research shows an inexperienced chair may rely more on experienced staff than more seasoned

legislators. This is supported by a study of congressional staff. DeGregorio (1995) found that as congressional committee chairs accumulate experience, they also develop more independence from the staff.

State legislatures typically experience high turnover. While there has been a gradual decline in state legislative turnover in the past 30 years, membership changes have remained relatively high (Patterson 1996). According to the National Conference of State Legislatures, when calculating the percentage of members serving in both chambers in 1997, who were not there in 1987, the overall turnover was 72 percent in senate chambers and 84 percent in house chambers. Turnover is high among all legislatures, but higher in citizen legislatures than more professional legislatures (National Conference of State Legislatures 1997). Due to these trends and term limits, less experienced state legislators will comprise the ranks of state legislatures even more so in the future. The interesting question is whether these new legislators turn to legislative staff for information and/or advice on state legislative matters or get their information from other sources.

Legislative Fiscal Analyst Discretion

The literature on legislative staff at both the federal and state level points to the linkage between staff roles and the legislator and/or committee view of their function. "The goals and orientations of the committee chairmen and most members are major factors in shaping staff orientation and activity" (Hammond 1985, 285).

The literature also provides some indication that the amount of discretion given to analysts by legislators impacts their influence. "Legislators empower their

employees. The officeholders do this when they act on the advice of their staff members and when they give them or their suggestions a voice at the negotiating table. To understand the behavior of congressional aids, therefore, it is necessary to view them in relation to their bosses" (DeGregorio 1994, 2).

In a study of congressional staff of the Senate Finance Committee, Price (1971) found that staff roles mirrored the committee's main task of simply reviewing and understanding proposals. The committee function reinforced staff behavior of gathering and reviewing information as opposed to a more proactive role. "Professionals" are nonpartisan, with neutral competence, they use their expertise to analyze and present alternatives; their orientation is reactive." However, other committees permit the staff to search for new initiatives and to push proposals; constraints exist, but limits are wide. The "pure policy entrepreneurs" are activist, partisan, and "committed to a continual search for policy gaps and opportunities. Finally, "mixed" entrepreneurs serve committees with somewhat less "slack"; aides suggest and push proposals, but with less area for maneuver.

Further support for this linkage can be found in later research on the personal staffs of Congress. Malbin (1981) found that the way a member uses his or her staff determines the kind and degree of legislative initiatives proposed by staff. Some members keep their staff under tight rein; while other members let their staff use their technical expertise aggressively to criticize alternatives and make recommendations. Similarly, Weissert and Weissert (2000), in their study of staff at the state level, argued that staff power is only as great as the legislators want it to be. Therefore, some staffs are more "entrepreneurial" based upon the amount of discretion given to them by

members or committees. It is expected that analysts with more discretion have more influence in state budget policy.

Variables Not Under Study

In addition to the above review of variables that will provide the basis for the model used in this study, there are other concepts and variables in the literature that are not a component of the current research.

One of the most recent studies on legislative fiscal analysts describes and classifies the budgeting behavior of legislative fiscal analysts in an effort to compare this behavior with that of executive budget analysts (Willoughby and Finn 1996). Legislative budget analysts in nine southern states with primary responsibility for making budget recommendations to the legislature were studied. The rationale for making budget recommendations was the focus of the study. This research found that unlike executive budget analysts, legislative budget analysts are more likely to consider agency workload and efficiency of operations as important cues for making recommendations and less likely to rely upon a single political factor as the driver of budget recommendations. In contrast, executive budget analysts were more likely to rely heavily on the gubernatorial agenda when making recommendations while legislative fiscal analysts considered a broader range of political actors including legislators' agenda, agency administrators, and the public's support of programs as they prepared the budget recommendations. This leads Willoughby and Finn to conclude that legislative budget analysts are more objective than executive budget analysts in making recommendations. The authors posit that while executive budget

analysts have one boss, the chief executive, legislative analysts must respond to many legislators and a variety of interests.

The current study does not assess the rationale used for making budget recommendations. First, some legislative fiscal analysts do not make any type of budget recommendation to the legislature. Second, budget actors do many things other than make budget recommendations. The purpose of the current study is to get a broader picture of the duties, roles, and relationships of legislative fiscal analysts.

This study does not explore the influence in the budget process of other actors such as legislative fiscal office directors, agency personnel, and executive budget analysts. Although these individuals are other key actors in the development of budget policy, the focus of this research is the legislative fiscal analyst. It should also be noted that this study focuses on the roles, relationships, and influence of nonpartisan fiscal staff. Partisan staff may play different roles and have different relationships with their bosses and agency personnel. A comparison of nonpartisan and partisan staff should be the subject of future research.

Purpose of the Current Research

The purpose of this research is to fill a gap in the literature by assessing the duties, roles, relationships, and influence of legislative fiscal analysts in the state budget process. In order to accomplish this, four broad questions are addressed. First, who legislative fiscal analysts and what are the primary duties and types of information provided to legislators? Second, what are their roles and relationships with legislators, agency personnel, and executive budget analysts? Third, are legislative fiscal analysts

influential in the state budget process? Do they perceive themselves as influential and do other budget actors perceive the same level of influence? Finally, are there factors that condition influence? Are there differences in reported influence and why? These questions are crucial to understanding what legislative fiscal analysts do and the opportunities that exist for their influence on budget outcomes.

Three aspects of previous research prompt the current study. First, two previous studies measure staff influence by relying on the perceptions of influence from legislative fiscal staff, legislators, and agency personnel (Balutis 1975) and executive budget staff, executive budget office team leaders, and agency directors (Gosling 1987). There is a need to update work done in the 1970s on the perceptions of legislative fiscal analyst influence in light of important institutional changes. The advent of term limits in 17 states (National Conference of State Legislatures 2000) poses interesting questions for staff involvement in the legislative process. Also, after decades of legislative staffing increases, the recent trend of hiring freezes and staff reductions in some state legislatures has marked a new trend for the legislative staff organization (Weberg 1993). Further, evidence of heightened partisan competition in state legislatures has made legislators more responsive to the needs and requests of their districts (Rosenthal 1998). According to Weberg (1997, 3) the members of legislatures today

> ...will likely care much more about things political than those institutional. These legislators will have a narrower policy focus and limited legislative experience. They won't know the legislative process and its traditions very well, and they won't have time or the inclination to learn them-especially in term limited states.

With this new breed of legislator, staff will likely become more and more the repository of institutional memory. Whether this translates into more influence for legislative staff remains uncertain.

The current research also seeks to depart from previous research on executive budget analysts by expanding the groups interviewed. Gosling's (1987) executive budget office study interviewed executive budget analysts, executive budget office team leaders, and agency directors. In an effort to get a broader perspective on legislative fiscal analyst duties, roles, relationships, and influence; data from interviews with legislators, agency directors, agency fiscal officers, agency legislative liaisons, and executive budget analysts is collected.

Second, this study adds to previous research in its attempt to clarify the factors conditioning influence, and to do this specifically regarding legislative fiscal analysts. Previously studied factors include organization and mission of the fiscal office or staff, chair experience, ability of chair to hire and fire staff, and analyst experience. This study adds to this list of factors by including a variety of political, institutional, and individual analyst, and legislator characteristics.

Third, the current research provides a guide for future research by identifying research questions. For example, few comparisons have been made between executive budget analysts and legislative budget analysts in terms of their duties, relationships with state agencies, education of analysts, and professional background. Comparing the two groups on these factors may provide insight as to whether legislative fiscal staffs are similar to their executive budget counterparts thus preparing

the way for future research on whether legislative fiscal analysts use similar decision-making rationalities as executive budget analysts.[3]

Design of the Study

Budget processes and formats, committee structures, staff organizational arrangements, and state political environment vary substantially from state to state, thus making the study of legislative fiscal analysts at the state level a daunting task. Nonetheless, the present research is a case study of four states with varying political, economic, and institutional characteristics.

Units of Analysis

This exploratory study is based on data collected from 57 telephone interviews with legislative fiscal analysts, legislators involved in budgetary decision making including joint budget committee chairs, appropriations committee chairs, appropriations subcommittee chairs, executive budget analysts, agency directors, agency legislative liaisons, and agency fiscal officers in a sample of state governments in the United States: Arizona, Colorado, Kansas, and Maine. These four states are used as units of analysis to determine whether varying political and institutional factors condition the roles, relationships, and influence of legislative fiscal analysts in state budget policy. Legislative analysts are units of observation to determine if specific individual characteristics condition their roles, relationships, and influence in state budget policy. Other key budget actors (joint budget and/or appropriations committee, subcommittee chairs, and members; agency personnel; and executive

budget analysts) are employed as units of observation to gain additional insight on the roles, relationships, and influence of legislative fiscal analysts.

Model of Legislative Fiscal Analyst Influence

Based upon the review of previous literature, several variables are thought to be important factors conditioning the influence of legislative fiscal analysts in state budget policy. Figure 2.2 displays the model used in the present research.

Figure 2.2
Model of Legislative Fiscal Analyst (LFA) Influence

Control Variable:

- Structure of fiscal staff office: Nonpartisan

Independent Variables:

Legislative fiscal analyst operating environment

- LFA duties
- LFA tenure
- LFA expertise
- LFA staff size
- LFA contact with budget actors and visibility in budget process
- Level of discretion given LFA

Legislator inexperience or lack of knowledge

- Biennial budget cycle
- Term limits
- Tenure of legislator



Dependent Variable:

State budget policy influence

- Reported degree of influence by LFAs and other key actors
- Rankings of LFA influence compared to other key actors
- Congruence between LFA appropriation recommendations and final legislative appropriations

Case Selection Criteria

All of the legislative fiscal analysts in each of the four states work in nonpartisan fiscal staff offices or nonpartisan joint committee staff offices. Nonpartisan fiscal staffs were chosen for this study because they represent the most common organizational structure for providing fiscal services to legislators. Nonpartisan fiscal staff offices operate in 28 states providing fiscal services to all members in both chambers (Donlan and Weberg 1999). The remaining states use committee staff, caucus staff, or agencies within individual chambers to provide fiscal services to legislators.

At the time of this study, the selected states represented a variety of political and institutional variables. Arizona and Kansas had Republican governors and predominantly Republican legislatures. Colorado's Democratic governor operated with a Republican controlled House chamber and Democratic Senate chamber. Maine had an Independent governor and a predominantly Democratic legislature. Therefore, the latter two states operated under a divided government. Legislators are term limited in Arizona, Colorado, and Maine with Maine experiencing the impact of term limits for the longest length of time. Maine's term limits took effect in both chambers in 1996 (National Conference of State Legislatures 2002a).

The enactment of the budget varies with the four states studied. Although all four states conduct annual legislative sessions, Arizona and Maine biennially enact two annual budgets. Colorado and Kansas develop annual budgets.

Just as the budget cycle varies, so does legislative power in the budget process. Of the states under study, the Arizona and Colorado legislatures have significant

power in the budget process. Both states are referred to as "legislative budget states" where the legislature creates its own budget document from which legislative deliberations begin. In contrast, Kansas and Maine are "executive budget states" where the executive budget is the primary starting point for legislative deliberations. In addition to preparing the budget document, the executive branch is also responsible for the revenue forecast in Maine. However, in Arizona and Colorado, both the executive budget office and the legislative staff are involved in revenue forecasting. Kansas uses consensus forecasting where the legislative fiscal office is one of several participants (National Conference of State Legislatures 1998).

At the time of the study, all four states were experiencing unforeseen and rapid revenue shortfalls. Spending overruns and lower than expected revenues were present in all states except Colorado and Maine. The latter two states experienced lower than expected revenues but have been able to keep spending on target. The Arizona state legislature held a special session in November of 2001 to address the revenue shortfall as well as multiple special sessions during the regular legislative session beginning January 2002. The drop in revenue for all four states is significant, with the worst fiscal condition found in Arizona. Medicaid, other health programs, and welfare were the culprits of program expenditure overruns in these states as well as in most other states experiencing revenue shortfalls and expenditure overruns (Eckl and Perez 2001).

Staff duties and size of fiscal staff were also taken into account in the process of case selection. In order to assess influence, a variety of states were chosen reflecting different levels of staff functions and duties. For the purposes of this

research, "level one" staffs make formal budget recommendations to the appropriations committee. Arizona and Colorado represent level one staff. "Level two" staffs do not make formal recommendations, but do develop policy options for legislators and committees. Kansas represents the "level two" staffs. Finally, Maine is a "level three" staff where the primary responsibility is analyzing the executive budget and/or agency requests. "Level three" staffs do not provide budget recommendations or policy options to legislators and/or committees.

As argued previously, the size of staff may also play a role in the degree of influence. Larger staffs may give the individual analysts the opportunity to specialize in one or two policy areas. Analysts can more easily become experts in specific areas as opposed to an analyst in a smaller office. The analyst in a small office may be responsible for many agencies and policy areas, thus taking on a generalist role. In this study, staff size ranges from a high of 23 in Arizona to a low of five in Maine. These numbers include fiscal analysts responsible for budget review and analysis. They do not include fiscal office directors or those analysts with duties other than budget review and analysis. Table 2.3 provides a review of selected characteristics by state.

Table 2.3
Selected State Characteristics

	Divided Government	Term Limits*	Annual Session	Biennial Budget	Staff Size**
Level One Budget Recommendations					
Arizona	No	Yes	Yes	Yes	23
Colorado	Yes	Yes	Yes	No	15
Level Two Policy Options					
Kansas	No	No	Yes	No	11
Level Three Budget Analysis Only					
Maine	Yes	Yes	Yes	Yes	5

Sources:
Divided government information provided by the National Governor's Association available at http://www.nga.org/cda/files/GOVLIST2001.PDF, accessed on July 14, 2001and the National Conference of State Legislatures available at http://www.ncsl.org/ncsldb/elect98/partcompe.cfm?yearsel=2001, accessed on July 14, 2001. Term limit information provided by the National Conference of State Legislatures available at http://www.ncsl.org/programs/legman/about/states.htm, accessed on July 14, 2001. Session and biennial budget information provided by Jennifer Grooters and Corina Eckl, 1998.

Notes:
*First year of impact for Arizona term limits was 2000 in both chambers. First year of impact for Colorado term limits was 1998 in both chambers. First year of impact for Maine term limits was 1996 in both chambers.
** Size of staff accounts for budget or fiscal analysts responsible for budget analysis. Analysts in the budget or fiscal office solely responsible for revenue forecasting or fiscal note preparation were excluded. Size of staff information found at each state's legislative fiscal office website as of January 2002.

Operationalization of Variables

Control Variable

All legislative fiscal analysts interviewed work in a nonpartisan, centralized fiscal offices or a joint committee staff office. Arizona fiscal analysts work for the Arizona Joint Legislative Budget Committee, similarly Colorado analysts work for the Colorado Joint Budget Committee. Fiscal analysts in Kansas and Maine work for fiscal offices within a larger legislative staff organization. The nonpartisan,

centralized office or nonpartisan joint committee staff is the most common type of fiscal staff arrangement.

Independent Variables

LFA Duties

Legislative fiscal analyst duties are measured as three separate levels: Level one represents analysts who develop budget recommendations, level two represents analysts who develop policy options, and level three analysts prepare analyses of agency requests and executive recommendations. In order to analyze this assertion, this current research classifies staff duties and functions into three distinct levels. "Level one" staffs refer to fiscal analysts working in offices that provide budget recommendations to committees or individual legislators. "Level two" staffs refer to offices where all analysts routinely provide budget options or alternatives to individual members or committees. "Level three" staffs represent those offices where staffs are responsible primarily for analyzing budget requests and providing technical information to members and committees. It is expected that legislative fiscal analysts with the authority to provide the legislature with budget recommendations will be perceived to be more influential than those fiscal analysts who do not provide budget recommendations.

LFA Tenure

Legislative fiscal analyst tenure is measured as the number of years the analyst has occupied his or her position and is a continuous variable ranging from 1 to 30

years. It is expected that legislative fiscal analysts with longer tenure will be perceived as more influential than those legislative fiscal analysts with less tenure.

LFA Expertise

Legislative expertise is measured by the number of agencies the analyst has responsibility for in terms of providing fiscal and programmatic information, budget review and analysis, and budget recommendations. It is expected that legislative fiscal analysts who have fewer agencies will have more influence than those who have responsibility for a larger number of agencies.

LFA Staff Size

Staff size numbers include fiscal analysts responsible for budget review and analysis. They do not include fiscal office directors or those analysts with duties other than budget review and analysis. It is expected that legislative fiscal analysts operating within larger fiscal staffs will have fewer agencies, and thus, more influence than legislative fiscal analysts operating in smaller offices with larger numbers of agencies.

LFA Contact with Legislators and Other Budget Actors

Legislative fiscal analyst contact with budget actors and visibility in the budget process is measured in several ways. First, does the analyst develop written reports identifying him or her as the author? Second, does the analyst attend budget hearings? Third, does the analyst make presentations during these hearings? Fourth, is the analyst present in the House and/or Senate chamber when appropriation bills are

debated? What is the amount of contact during the budget process (daily, weekly, monthly) with key budget actors. It is expected that legislative fiscal analysts with higher levels of contact with other budget actors and with more visibility at committee hearings, and in the Senate and House chambers will be perceived to be more influential than their counterparts with less visibility.

Level of Discretion Given LFA

Level of discretion given to the legislative fiscal analyst is measured threefold. First, analysts are asked to identify the level of discretion they have in developing recommendations, creating policy options, and providing information to legislators. Second, appropriation committee chairs and subcommittee chairs are asked to identity the level of discretion given to analysts. Third, an analysis of statutes creating the legislative fiscal office and defining the duties of that office are reviewed to identify any specific constraints or parameters placed on analysts in developing recommendations, creating policy options, and providing information to legislators. It is expected that high levels of reported discretion by legislative fiscal analysts will coincide with higher levels of influence than those legislative fiscal analysts reporting less discretion.

Legislator Inexperience or Lack of Knowledge

Legislator inexperience or lack of knowledge may be the result of several factors limiting the time legislators have on the job. Biennial budget cycle and term limits variables are measured simply as the presence or absence of the variable in each state. Legislator tenure as chair is measured as the number of years as chair of either

the appropriations committee or appropriations subcommittee. Legislator tenure in office is measured as the number of years as a legislator. It is expected that legislators with less tenure in the legislature, less tenure on the appropriations committee and/or less tenure as chair will result in higher levels of legislative fiscal analyst influence.

Dependent Variable

The dependent variable in this study is influence in state budget policy. First, influence is measured by the reported degree of influence by legislative fiscal analysts and other key actors (legislators, agency personnel, and executive budget analysts) on an ordinal scale: very influential, influential, somewhat influential, and not influential. Second, influence is assessed by comparing legislative analysts with other key actors by having legislators, agency personnel, and executive budget analysts rank the influence of legislative fiscal analysts and other key budget actors on an interval level scale of one to five, where one represents no influence and five represents high influence. The final measure of influence examines the acceptance of the analyst budget recommendations by the legislature. This measure of influence is only applicable for those analysts in Arizona and Colorado who make recommendations to the legislature.

The first two measures of influence are based upon the perceptions of influence by legislative fiscal analysts and key budget actors. The legislative fiscal analysts chosen for this study are analysts responsible for high profile policy areas. These areas correspond with the Corrections, Education, and Medicaid agencies. These policy areas represent substantial shares of the budget in most states. The selection of these

specific policy areas or agencies and the fiscal analyst responsible for a particular policy area was necessary for two reasons. First, in order to strengthen the validity of fiscal analysts' self-assessment of influence, key budget actors gave an independent assessment of influence. These key budget actors correspond to the policy area selected. Agency directors, agency legislative liaisons, and agency budget directors for the Corrections, Education, and Medicaid agencies assessed the influence of the legislative fiscal analyst responsible for their agency's budget. Similarly, executive budget analysts responsible for those policy areas were also interviewed. By selecting agency personnel and executive budget analysts responsible for the same policy areas as the legislative fiscal analysts, one can determine the influence of those specific legislative fiscal analysts. This study attempts to separate the influence of the legislative fiscal office from that of the individual analyst. Second, the high profile nature of these three policy areas allows one to interview appropriation committee or subcommittee chairs and members of the appropriations or budget committee as these legislators are more likely to be able to assess the influence of these particular analysts than the rank and file membership. In Kansas and Arizona chairs of the appropriations subcommittees responsible for reviewing the budget for the Departments of Corrections, Education, and Medicaid were interviewed as well as appropriations committee members. In Colorado, the chair of the full joint budget committee was interviewed. Likewise, in Maine, the chair of the full appropriations committee was interviewed as well as members of that committee. The joint budget and appropriations committees in Colorado and Maine do not have subcommittees, therefore, no subcommittee chairs were interviewed.

The final measure of influence examines the acceptance of the analyst budget recommendations by the legislature. This measure of influence is only applicable to those analysts in Arizona and Colorado who make budget recommendations to the legislature. Written documents recording analyst recommendations and the corresponding legislative recommendations were used as data. An acceptance rate is calculated to determine the percentage of the analyst recommendation that was accepted by the legislature.

Data Sources and Collection Procedures

The exploratory research uses data collected from two sources. The primary source of data comes from telephone interviews of key budget actors. A secondary source of data is derived from legislative statutes, documents and reports developed by the legislative fiscal office, executive branch documents describing the budget process, and legislative procedures manuals discussing the roles of the legislature and legislative staff in the budget process. Also, external documents prepared by organizations such as the National Conference of State Legislatures, the National Governors' Association, and the National Association of State Budget Officers were also used as background information.

The primary source of data was collected through 57 completed telephone interviews of four different groups of key budget actors. Table 2.4 lists the states included in the study and the number of each group interviewed. These budget actors included legislative fiscal analysts (LFAs) responsible for the budgets of the Departments of Corrections, Education, and Medicaid as well as the executive budget

analysts (EBAs) responsible for the same agency budgets. Joint budget or appropriations committee chairs or subcommittee chairs and committee members represent another group of key budget actors because they are charged with reviewing state agency budgets and making recommendations to the legislature. Finally, agency directors, agency legislative liaisons, and agency fiscal officers in the Departments of Corrections, Education, and Medicaid were the final group interviewed for this study.

Table 2.4
Respondents by Group and by State

Respondents by Group	Arizona	Colorado	Kansas	Maine	Total
Legislative Fiscal Analysts	3	3	3	2	11
Legislators	4	1	4	4	13
Agency Personnel	4	7	8	8	27
Executive Budget Analysts	3	3	2	3	11
TOTAL	**14**	**14**	**17**	**17**	**62**

Note: 62 individuals responded to the request for an interview. However, 57 individuals completed the telephone interview. Two agency officials in Kansas, two agency officials in Maine, and one agency official in Colorado reported little contact with the legislative fiscal analyst and did not complete the interview.

The interviews were conducted from October 2001 through July 2002. The interviews of the legislative fiscal analysts ranged from thirty to ninety minutes in length. On average, the interviews lasted about 55 minutes. Interviews of the other key budget actors were considerably shorter, ranging from 15 to 40 minutes in length. On average, these interviews lasted about 30 minutes in length. The interviews for all groups were semi-structured with both open-ended and close-ended questions. For each interview, the interviewer immediately established her credential as an academic and summarized the nature of the study and the protocol to the interviewee. Most

interviews were scheduled at the convenience of the interviewee after initial contact was made by the interviewer. In some cases involving legislative fiscal analysts, the interview instrument was sent via e-mail for review prior to the scheduled interview.

The use of telephone interviews has both advantages and disadvantages. The advantages are clear. Parten (1966) notes that the refusal rate for telephone interviews tends to be very low. Although the response rate is usually lower than for in-person interviews, the response rate for telephone interviews is significantly higher than mail surveys (Manheim and Rich 1986). Telephone interviews are convenient for both the interviewer and the interviewee. Contact can be established fairly quickly and one does not have to leave the work setting. Telephone interviews are less intrusive than in-person interviews. While interviewer-related sources of bias are not totally removed, a voice over the phone is normally less likely to create biasing effects than a person in the respondent's presence (Manheim and Rich 1986). Further, telephone interviews are superior to mail questionnaires in that they provide a control over who responds to the interview questions. The issue of control is particularly important in this research as the majority of the data collected relied upon the judgments and perceptions of the interviewees. In an effort to use the responses of the interviewees as a validity check on the responses of other interviewees it was imperative that the individual answering the questions was indeed the appropriate individual. Mail questionnaires cannot provide adequate control over who answers the questions.

However, there are some disadvantages to telephone interviews. The telephone interview is not capable of observing anything about the person or the interview situation as visual cues do not exist. There is also the tendency for the

interviewee to respond quickly to a question in order to reduce the time of the interview. To guard against this, the researcher made every effort to interview individuals at their convenience and to limit the questions to those most pertinent to the current study.

Four distinct sets of interview questions were used and tailored to each of the four groups interviewed. The interviews of legislative fiscal analysts sought answers to six broad categories of questions. First, demographic and professional background questions were asked to determine the kinds of individuals who seek employment as legislative fiscal analysts. Second, the analysts were asked questions regarding the general nature of staff work during the interim and during the period at which they are engaging in work that assists the legislature in making decisions about the budget. This would not only include the legislative session, but could include a period of several months prior to the session when analysts are likely to be engaged in preparatory work on agency budgets. Third, analysts were asked a series of questions regarding their relationship with legislators including issues of information provision, usefulness of information, amount and type of contact, and trust. Fourth, the analysts were asked about their perceived influence in state budget policy. Fifth, the interviewer asked questions about their relationships with the executive budget analysts and agency personnel and their view of the role that they play in regards to the state agencies under their authority. Finally, the interviewer asked the analysts to discuss challenges or changes faced by legislative fiscal analysts in their state.

The interviews of the other key budget actors typically followed the interviews with the legislative fiscal analysts. The majority of the questions asked attempted to

assess the validity of the answers provided by the legislative fiscal analysts concerning perceived influence. In addition to asking these actors about their perception of legislative fiscal analyst influence, interviewees were also asked to respond to questions concerning their relationship with the fiscal analysts including the frequency and nature of contact with the analyst. Legislators were asked to describe the most useful types of information provided by the analyst, the level of discretion and direction given by them to the legislative analyst, and the role played by the analyst in the budget process. Finally, legislators, executive budget analysts, and agency personnel were asked to compare and rank the influence of the legislative fiscal analyst in the budget process with the influence of other key budget actors.

While all of the interview questions were asked of all legislative fiscal analysts, the semi-structured nature of the interview allowed the researcher to probe and explore certain comments made by the interviewees. It was important to provide flexibility during each interview to account for the spontaneity and diversity of responses. Therefore, none of the interviews were identical in terms of length or content, although a basic core of both open-ended and closed-ended questions were asked. All interview questions can be found in Appendix A. All interviewees were granted confidentiality. Therefore, citations of quotes attributable to subjects are omitted. Occasionally, the state label is also omitted when it might compromise confidentiality.

A secondary source of information included a review of budget documents produced by the fiscal analysts and/or fiscal office. These documents included information regarding budget recommendations made by the analyst and/or analysis of

agency requests and executive recommendations, and the legislatures role in the budget process. Also, statutes creating the legislative fiscal offices were reviewed to understand the duties and responsibilities of the office or fiscal committee staff. Reports prepared by the executive budget office summarizing the executive branch role in the budget process. Legislative procedures manuals providing information on legislative staff were also examined. Finally, information from the National Conference of State Legislatures, National Association of State Budget Officers, and the National Governors' Association was as a basis for understanding the budget process in each of the four states, as well as for understanding the powers and authority of both the executive and legislative branches in the budget process for the states under study.

Data Analysis

Immediately after each interview, handwritten notes were reviewed and typed. Each typewritten interview was assigned a number identifying the interview by state and interviewee position in an effort to maintain the confidentiality of the respondent. No other identifying features were listed on the typewritten interview document. All interviews were then merged into five master interview files for analysis. Responses were categorized by state and by budget actor. Responses were categorized according to the key variables outlined in the research design. These responses were then reviewed and analyzed.

Research Limitations

One of the primary research limitations of this study is whether the findings can be generalized to a larger population due to the small case size and focus on legislative fiscal analysts within three policy areas. With the great diversity of the 50 states politically, geographically, culturally, and organizationally, the ability to generalize the findings from only four states to a larger population is problematic. The interviewees within the four states were chosen purposively, not randomly. The legislative fiscal analysts were chosen based upon the specific policy areas under study. Likewise, the other key budget actors were chosen based upon the policy areas under study and their knowledge of the legislative fiscal analyst with responsibility for their agency. There may be differences in the duties, roles, relationships, and influence among those analysts who have responsibility for lower profile policy areas or smaller state agencies. As these legislative fiscal analysts were not interviewed, this study cannot answer these questions. Further, the response rate for one group of key budget actors (legislators in Colorado) was low with only one of six committee members responding to the interview. Despite these limitations, the exploratory nature of this study can open the door for the development of future research questions and hypotheses. Future studies should expand the number of states, interviewees, and policy areas under consideration.

Another issue regarding whether the findings can be generalized to a larger population is the dramatic change in the fiscal condition of the 50 states during the research timeframe. During the fall of 2001, when data collection began, states were entering a period of fiscal crisis after several years of revenue growth and budget

expansion. All four states under study dealt with significant revenue declines either in a special session or during the regular legislative session. The fiscal crisis within the states studied could impact the roles and influence of the legislative fiscal analysts. One argument is that in periods of fiscal crisis, the governor has the advantage over the legislature. Under conditions of fiscal stress, legislators often defer to the governor to propose unpopular tax increases or cuts in spending (Clynch and Lauth 1991). This may throw the balance of power toward the governor and her staff. Another argument, however, could be made for an increase in the power of the legislature. Legislatures ultimately have the "power of the purse." In times of fiscal stress, legislators may be forced to cut programs or find alternative revenue sources. Staff may be more influential in times of fiscal stress as they provide support, information, and in some cases recommendations, to a legislature that must make difficult choices on program and service cuts.

The following chapters present the data obtained through the various interviews. Chapter Three discusses the characteristics of the legislative fiscal analysts in this study and describes the budget process in those states as well. Further, Chapter Three identifies the various duties of these legislative fiscal analysts and establishes the most important or primary duty that they perform for the legislature.

NOTES

1. Data on the budget procedures in the 50 states was compiled by Jennifer Grooters and Corina Eckl of the Fiscal Affairs Program with the National Conference of State Legislatures in *Legislative Budget Procedures: A Guide to Appropriations and Budget Processes in the States, Commonwealths, and Territories.* This 1998 report is based upon data collected through surveys of all 50 states.

2. Four states (Idaho, Massachusetts, Oregon, and Washington) have recently repealed legislative term limits. Currently, there is a court challenge to Montana's legislative term limits (National Conference of State Legislatures 2002b).

3. Thurmaier and Willoughby (2001) have developed a model for assessing how executive budget analysts make budget recommendations to the governor. They further review how individual budget analyst rationalities are conditioned by the decision context in which they operate. Of central importance to the decision context is whether the central budget office exhibits a control orientation or a policy orientation.

CHAPTER THREE

Legislative Fiscal Analysts: Characteristics and Duties Performed

In setting the context for exploring the roles, relationships, and influence of legislative fiscal analysts that will be presented later in this study, this chapter identifies the typical legislative fiscal analyst and describes her primary duties. In identifying the typical legislative analyst, this chapter investigates whether legislative fiscal analysts share common characteristics with their executive budget counterparts. In examining this issue, legislative analysts and executive analysts are compared along several dimensions: sex, age, education, job tenure, and previous employment. Legislative fiscal analyst career choices and job satisfaction are also explored. Finally, the focus shifts to legislative fiscal analyst duties in the budget process. These duties are examined in the context of discussing the budget process in each state. The general duties of the legislative fiscal analysts in this study are categorized by type, by primary duty, and the point at which they are performed during the budget process.

Staff characteristics such as education, previous employment, recruitment, tenure, and career aspirations have been analyzed with a variety of congressional staff (DeGregorio and Snider 1995; Fox and Hammond 1977; Hammond 1975, 1994; Kayali 1977; Kofmehl 1977; Romzek and Utter 1996; Salisbury and Shepsle 1981), state legislative fiscal staff (Balutis 1975; Farnum 1975; Hartmark 1975; Kyle 1975; Willoughby and Finn 1996), and executive budget staff (Gosling 1987; Lee 1991; Lee 1997; National Association of State Budgeting Officers 1999; Thurmaier and Gosling 1996; Tomkin 1998; Yunker 1990). For the purposes of the current research,

research linking staff characteristics to specific staff duties and influence is of particular importance. The characteristics of the people who staff a legislative fiscal office may impact how that office operates in terms of products created and influence wielded. Further, comparisons can be made between legislative fiscal staff and their executive budget counterparts where more research on characteristics is found.

For executive budget staff, Lee (1991) has documented the change in both the level of education and the educational background of executive budget analysts over two decades. The number of staff with master's degrees has increased, while staff with less than a bachelor's degree or with a doctorate remained small in number. Further, Lee notes that analysts with accounting backgrounds have been replaced with analysts holding degrees in the social sciences and public administration. During the same time period, Lee observed an increase in executive budget offices conducting program analysis, although this trend reversed itself after 1990. Nonetheless, the trend for more analysis from 1970 to 1990 could be a result of the change in the educational backgrounds of executive budget analysts.

In fact, the shift in educational background has been linked to specific role orientations of executive budget offices at the state level where Gosling (1987) found that analysts in control-oriented offices have predominantly business administration and accounting degrees while analysts in more policy-oriented offices are more likely to have a public administration or other social science degree. In this study, the different orientations of the budget offices are reflected in the backgrounds of people hired as budget analysts. The work of Thurmaier and Gosling (1997) support the linkage between budget office orientation and the educational background of analysts.

In addition, they observed that educational background conditions the individual role orientation of the budget analyst with respect to the state agencies under her supervision. Analysts with a social science background are more likely to take on an advocacy role. The advocacy role is defined as one where the executive budget analyst advocates or supports agency programs and budget requests viewed as good public policy and consistent with gubernatorial objectives. In contrast, analysts with a business or accounting background are more likely to report a more adversarial or control-oriented role with respect to their agencies. However, more recent research, using a larger sample of executive budget offices, finds little support for the linkage between the roles of executive budget analysts and their educational and professional background (Thurmaier and Willoughby 2001).

Data on legislative fiscal staff background at the state level is less numerous and somewhat dated (Balutis and Butler 1975; Rosenthal 1981; and Willoughby and Finn 1996). The Balutis and Butler study found that fiscal analysts in the 1970s held bachelor's degrees in a wide range of disciplines including accounting, economics, political science, public administration, mathematics, education, and law. Further, some analysts were recruited immediately after college graduation while others had previous experience in state government. A more recent study by Willoughby and Finn (1996) of legislative fiscal analysts in nine southern states finds that the typical legislative fiscal analyst in the south is male, about thirty-nine years of age, and earns over $45,000 per year. Additionally, the typical analyst in the south has been on the job about six years, has previous employment in a state agency, and has completed a master's degree typically in business or public administration. Despite the recent

work of Willoughby and Finn (1996) on legislative fiscal staff background, little is known about possible linkages between legislative fiscal analyst education and job duties, roles, and relationships with agencies.

Characteristics of Legislative Fiscal Analysts

Identifying various characteristics of those individuals who work for state legislatures comprised some of the first research on legislative staff, including legislative fiscal analysts. Several educational and professional characteristics were assessed at the height of the legislative reform movement. From several studies of single states in the mid-1970s, the typical legislative fiscal analyst held a bachelor's degree in a wide range of disciplines including accounting, economics, political science, public administration, mathematics, education, and law. Some of these analysts were recruited immediately after college graduation while others had previous experience in state government. Today, some forty years after the legislative reform movement began, we can again assess these characteristics.

The data in this study, in part, comes from interviews with legislative fiscal analysts responsible for three policy areas: Corrections, Education, and Medicaid in four states: Arizona, Colorado, Kansas, and Maine. Therefore, the interviewer attempted to speak with 12 analysts. However, one analyst declined to participate because of time constraints due to her part-time work status. Although this study reports the findings from interviews of only 11 legislative fiscal analysts, some information can be gleaned about who they are as individuals by reviewing specific demographic, educational, and professional characteristics.

Legislative Fiscal Analyst Demographics and Education

Table 3.1 reports the demographic and educational characteristics of legislative fiscal analysts in this study. Of the legislative fiscal analysts interviewed, 55 percent were female and 45 percent were male. The age of the legislative fiscal analysts responsible for the Corrections, Education, and Medicaid budgets ranged from 31 to 56 years, with the average analyst age at 42 years. Five of the 11 analysts were between 35 and 45 years of age. The legislative fiscal analysts in this study were highly educated professionals with 82 percent holding a degree at the master's level or above. Of this population, seven analysts held the master's degree and two analysts earned the Ph.D. Five of the seven analysts with master's degrees were female, while the doctorate degrees were held by men. The Master of Public Administration degree was the most frequently held graduate degree, followed by the master's degree in political science. Graduate degrees in business administration, finance, and public policy were held by three of the remaining analysts. For those analysts with the Ph.D., one analyst earned a Ph.D. in History and another earned a Ph.D. in Higher Education. Of those analysts with baccalaureate degrees, management and political science were the undergraduate majors.

Table 3.1
Demographic and Educational Characteristics
of
Legislative Fiscal Analysts (LFAs) and Executive Budget Analysts (EBAs)

Characteristics	LFAs Frequency/ Percent	EBAs Frequency/ Percent
Highest Degree Completed		
Bachelor's Degree	2 (18%)	1 (9%)
Master's Degree	7 (64%)	10 (91%)
Doctoral Degree	2 (18%)	
Major in Highest Degree Completed		
Political Science	2 (18%)	1 (9%)
Public Administration	3 (27%)	1 (9%)
Public Policy	1 (10%)	2 (18%)
Business Administration & Related Fields	3 (27%)	6 (55%)
History or Higher Education	2 (18%)	0
Law	0	1 (9%)
Sex		
Male	5 (45%)	7 (64%)
Female	6 (55%)	4 (36%)
Age		
25-35	2 (18%)	6 (55%)
35-45	5 (45%)	2 (18%)
45-55	3 (27%)	1 (9%)
55+	1 (10%)	2 (18%)

Executive Budget Analyst Demographics and Education

The interviewer attempted to interview 12 executive budget analysts from each of the three policy areas: Corrections, Education, and Medicaid and from all four states: Arizona, Colorado, Kansas, and Maine. Of the 12 contacted, all but one agreed to be interviewed.

As Table 3.1 shows, the majority of the executive budget analysts interviewed in this study were male (64%) while 36 percent were female. Executive budget analyst age varied significantly from 29 to 65 years. As a group, the executive budget analysts were younger, with five of the 11 analysts (55%) between the ages of 25 and 35, while only 2 legislative analysts (18%) were between the ages of 25 and 35. However, the average age of the executive budget analysts was 40, which was similar to the average age of legislative fiscal analysts.

As with the legislative fiscal analysts, executive budget analysts in this study were also highly educated with 92 percent holding the master's degree. Table 3.1 indicates that of the executive budget analysts in this study, six of the 11 executive budget analysts (55%) held degrees in business administration, finance, economics, or accounting. This represents a higher number of executive budget analysts with business backgrounds than their legislative counterparts. The remaining executive budget analysts held master's degrees in political science, public administration, public policy, or law.

Legislative Fiscal Analyst Professional Characteristics

Job titles in the legislative fiscal offices varied by state with a hierarchy of titles reflecting analyst tenure on the job and previous experience. The most senior positions are chief analyst, principal analyst, or senior fiscal analyst, while the title of analyst is reserved for junior staff. Ninety-one percent of the legislative fiscal analysts in this study held one of the senior titles. Of those interviewed, only one analyst had not yet achieved a title beyond that of analyst. In most cases, the

legislative analysts in the senior positions achieved their positions after three to five years on the job.

Of those interviewed, the average analyst tenure with the legislature was 7.5 years. This is slightly less than that reported by a larger study of all legislative staff by the National Conference of State Legislatures (NCSL). The NCSL study of more than 1,000 legislative staff representing a variety of legislative staff functions found that the average respondent worked a little less than ten years for the legislature (Aro and Swords 2000). As Table 3.2 indicates 45 percent of the legislative fiscal analysts in this study had been on the job between 5 and 10 years, while 36 percent had less than five years with the legislature. The analyst with the most tenure worked 26 years as a legislative fiscal analyst.

The legislative fiscal analysts in this study had varied professional backgrounds. However, the majority of the legislative fiscal analysts held previous employment in the public sector that included working for a state agency (27%), city or county government (27%), or the executive budget office (9%). Three analysts had previous jobs in the private or non-profit sector and one analyst arrived directly from college.

Table 3.2
Job Characteristics of Legislative Fiscal Analysts (LFAs) and Executive Budget Analysts (EBAs)

Characteristics	LFAs	Percent	EBAs	Percent
Present Job Title				
Chief Legislative Analyst	1	9%	0	0%
Principal Analyst	4	36	1	9
Senior Manager	0	0	2	18
Senior Analyst	5	46	4	36
Analyst	1	9	4	36
Tenure as Analyst				
0-5 years	4	36%	6	55%
5-10 years	5	46	4	36
10-15 years	1	9	1	9
15-20 years	0	0	0	0
20 years or more	1	9	0	0
Previous Employment				
State Agency	3	27%	3	27%
Executive Budget Office	1	9	1	9
Local Government	3	27	0	0
Private Sector	2	18	4	36
Non-profit	1	9	1	9
Directly from College	1	9	2	18

Executive Budget Analyst Professional Characteristics

The executive budget analysts interviewed also had varied job titles and a similar hierarchy of job titles. As Table 3.2 shows, seven of the 11 executive analysts in this study held the more senior titles of principal analyst, senior manager, or senior analyst. The senior manager position had responsibility for overseeing junior analysts in the budget office. Four of the 11 executive budget analysts were in junior analyst positions as opposed to only one of the legislative fiscal analysts. This reflects the slightly less tenure reported by the executive budget analysts in comparison to their legislative counterparts as six of the 11 executive budget analysts

(55%) reported working on the job less than five years. In contrast, 36 percent of legislative fiscal analysts who had less than five years on the job. Of the executive budget analysts interviewed, 36 percent previously held a job in the private sector while 27 percent worked formerly in a state agency. This represents a slightly higher percentage of executive budget analysts arriving from the ranks of the private sector than the legislative fiscal analysts.

Reasons for Employment

In addition to the demographic and educational questions, legislative fiscal analysts were asked why they chose to work for the state legislature. The interviewer offered seven reasons for choosing to work for the legislature and asked the respondents to identify the primary reason among the seven choices. These choices included interesting and challenging work, interest in politics, serving the public, helping to formulate public policy, opportunities for advancement, job security, or other. Similar responses were given for seeking a position with the legislature but the primary reason for accepting legislative employment for seven of 11 (64%) respondents was the belief that working for the state legislature would be challenging and interesting. When discussing the interesting and challenging aspect of the job, two issues surfaced. First, several analysts explained that they thought it would be interesting to be "in the middle of the political process." Second, the wide variety of skills necessary for the job was also cited as a reason for the interesting and challenging aspect of the job. The wide variety of skills used and the opportunity to

be a part of the political process makes the job interesting and challenging, and therefore, attractive for many of the analysts.

The remaining analysts (4 of 11) cited the need for a job, serving the public, and an interest in politics as the primary reason for accepting employment with the legislature. Secondary reasons for employment varied among analysts. An interest in politics and a desire to serve the public were secondary reasons cited by five analysts. The remaining analysts reported job security, the potential for future job opportunities, and the ability to get back into the public sector to make better use of a public policy degree as secondary reasons for taking positions with the legislature.

In contrast, when asked the same question regarding the primary reason for seeking employment in the executive budget office, only four of 11 (36%) executive budget analysts responded that they thought the job with the executive budget office would be interesting and challenging. In fact, three analysts reported the need for a job as the primary reason for accepting employment. This contrasts with only one legislative fiscal analyst reporting the need for a job as the primary reason for accepting employment. Other reasons given for seeking employment in the executive branch included the opportunity to become exposed to several policy areas that could lead to future employment, an interest in budgeting, and the ability to do both fiscal and policy related work.

In summary, there are both differences and similarities between legislative fiscal analysts and executive budget analysts. Of those interviewed, more women made up the ranks of legislative fiscal analysts than executive budget analysts. The executive budget analysts were younger and held slightly less tenure than the

legislative fiscal analysts. With respect to education, both legislative fiscal analysts and executive budget analysts in this study were highly educated individuals, most with master's degrees. However, the executive budget analysts interviewed were more likely to be educated in business related fields than the legislative analysts who reported more frequently holding degrees in public administration, political science, and public policy. The emphasis on business related degrees was the most evident in Maine, where all of the executive budget analysts as well as the legislative fiscal analysts held degrees in business administration or accounting. Finally, most legislative analysts reported working previously in a state agency or a local government, while most executive budget analysts reported working in either state agencies or the private sector. The higher presence of previous employment in the private sector for executive budget analysts may reflect the higher presence of business related degrees. Executive budget analysts may be pulled from the ranks of the private sector more frequently than legislative fiscal analysts and those executive budget analysts from the private sector are more likely to have business or accounting degrees.

Legislative Fiscal Analyst Likes and Dislikes About the Job

The last of the professional background questions for legislative fiscal analysts covered the topic of job likes and dislikes. Each analyst was asked what he liked most and least about the job. The interviews revealed more positive responses regarding the job as legislative analyst than negative responses. Previously it was reported that legislative fiscal analysts accepted their position with the legislature

primarily because of the belief that the job would be interesting and challenging. The interesting and challenging aspect of the job is reported as one of several reasons why analysts like their work with the legislature. The variety in the job, the opportunity to deal with interesting policy issues, and the excitement of being part of the political process, were cited as reasons for job enjoyment. Some responses from the legislative analysts included:

> The job changes every year. You are doing the same mechanical things, but the issues change yearly. [There is] a lot of variety, the sessions are interesting with many interesting policy issues up for debate. (Legislative Fiscal Analyst)
>
> [The job is] not just number crunching, not just writing, not just presentations, it is open-ended, we have discretion to look into whatever we want to look into, it's a mixture of things. (Legislative Fiscal Analyst)
>
> The contact with different people. The variety is incredible. [I] like the areas I am working on – they are important. [There is] always something going on, I am never bored. (Legislative Fiscal Analyst)
>
> I am in the center of things, where decisions are made. There is also a sense of accomplishment after its all over. (Legislative Fiscal Analyst)
>
> The job is different by day and by time of year. I enjoy my job and being part of the policymaking process. (Legislative Fiscal Analyst)

In general, there were more positive comments about the job than negative comments. Analysts were asked to describe what they liked least about their job. The most common negative comment about the job was the heavy workload prior to and during the legislative session. Seven of 11 analysts reported that working long hours with little time off was a negative aspect of the job. The work of the legislative fiscal analyst is cyclical. Legislative sessions are usually three to five

months in length, with periods of high workload and interaction with legislators and agency personnel prior to and during the session followed by a period of "downtime" during the interim after the legislature adjourns. Therefore, work is compressed into a short timeframe where analysts are under tremendous pressure to do an incredible amount of work in a short period of time. For these analysts, legislative budget preparation can begin several months prior to the session with the analysis of agency requests and executive recommendations. Fiscal staff work continues throughout the legislative session that usually begins in January and ends somewhere between April and June. Several analysts reported 60-70 hour workweeks during the legislation session.

In addition to the long work hours during the legislative session, analysts reported high stress levels associated with the session and some apprehension regarding the quality of information and analyses provided to the legislature during the legislative session. Several analysts (four of 11) reported that the legislative sessions are stressful, with many demands placed upon them. Two analysts from different states reported that stress and heavy workload were reasons for the high turnover in fiscal staff in their state. Five of the 11 analysts interviewed commented on the tremendous workload during the session and the impact that it has on their ability to provide timely and accurate information. These analysts reported the frustration associated with their desire to get information to legislators as quickly as possible and the realities of the job due to the time constraints of the legislative session.

As most state governments operate under salary limitations for public sector employees, one might think that pay would be a key negative factor in legislative branch employment. Interestingly, only one analyst mentioned the low pay of state employees as a negative job factor. This analyst reported the pay as "miserable compared to the private sector." In summary, legislative fiscal analysts were very pleased and satisfied with their jobs. This satisfaction draws mainly from the great variety and challenge of the job as well as the exciting political environment in which these analysts work. Long work hours, stress, and pressure to perform within a limited amount of time are the primary negative factors regarding work as a legislative fiscal analyst.

Legislative Fiscal Analyst Duties in the Budget Process

While the four states under study follow the same general budget process as outlined in Chapter Two, legislative fiscal analyst duties and the structure and size of the fiscal committee(s) varies from state to state. As described in Chapter Two, the state budget process follows several stages and culminates with the passage of the budget by the legislature with approval by the governor. The purpose of the next section is to describe the budget process and the legislative fiscal analyst duties in each state as a precursor to identifying and comparing the primary duties of the legislative fiscal analysts. This section will discuss the operating environment, reporting structure, and the formal duties of legislative fiscal analysts. It will further address the duties required of the analysts at different points in the process.

Arizona

Operating Environment

The fiscal analysts in Arizona work for the Arizona Joint Legislative Budget Committee (JLBC) of the state legislature. According to the Arizona Legislative Manual (2001), the primary tasks of the JLBC are to make recommendations to the legislature regarding the state budget, state revenues and expenditures, future fiscal needs, and the organization and functions of state government. The legislative fiscal director is appointed by the JLBC who subsequently hires the professional staff of the JLBC. In Arizona, there are 23 legislative fiscal analysts of the JLBC who have responsibility for providing information and budget recommendations regarding state agencies to the legislature. See Appendix B for organization chart of the Arizona legislature and legislative fiscal staff.

In addition to providing services to the JLBC, staff analysts also provide fiscal services to the Arizona Appropriations Committees and subcommittees in each chamber, the Joint Committee on Capital Review, and the Joint Legislative Tax Committee. According to the Arizona Legislative Manual (2001), the fiscal staff of the JLBC provide the following non-partisan services: 1) Analyze and prepare recommendations for the state budget, 2) Provide technical, analytical, and preparatory support in the development of appropriation bills considered by the Legislature, 3) Develop periodic economic and state revenue forecasts, 4) Analyze economic activity and state budget conditions, 5) Prepare fiscal notes on the bills considered by the Legislature that have a fiscal impact on the state or any of its political subdivisions, 6) Prepare the annual *Appropriations Report* after the budget

is completed that details the budget and legislative intent, and 7) Prepare management and fiscal research reports related to state programs and state agency operations.

Analysis of Agency Requests and Development of Budget Recommendations

In September, prior to the beginning of the legislative session in January, the fiscal analysts receive the agency budget requests. The governor's budget staff, the Arizona Office of Strategic Planning and Budget (OSPB), sends the fiscal staff copies of the agency budget requests upon receipt from the state agencies. Both the JLBC staff and OSPB staffs analyze the agency budget requests, develop revenue estimates, and prepare independent budget recommendations.

JLBC fiscal analysts prepare the *Proposed Budget Book* that becomes the document that the appropriations committees work from during their deliberations on the budget. Each member of the appropriations committees receives a copy of the *Proposed Budget Book.* This book contains a detailed analysis and summary of the budget of each state agency, budget estimates, an explanation of the budget changes from the previous year, and various performance measures. A budget table provides prior year actual expenditures, current year appropriations, separate budget recommendations by the OSPB staff and the JLBC analysts. The budget recommendations of the JLBC staff also contain justifications for the various line item budget recommendations as well as the assumptions used in developing the specific recommendations.

In the preparation of the budget recommendations, JLBC staff work closely with the chairs of the appropriations committee in each chamber. Analysts review the

agency requests with the chairs and present various policy options in the preparation of budget recommendations. Also, individual members of the appropriations committees request meetings with the fiscal analysts to discuss the agency budgets. Finally, the last step to occur prior to the session is the review and analysis of the executive budget that arrives in December. The JLBC staff review and analyze the executive recommendations and incorporate these recommendations in the *Proposed Budget Book* that must be completed by the first day of the legislative session.

Legislative Session Activity

Arizona has annual legislative sessions, but in Fiscal Year 1994 the state began implementing the biennial enactment of two annual budgets (General Accounting Office 2000). In Fiscal Year 1994, 26 small regulatory agencies were converted to a biennial budget, followed by all but the 15 largest agencies in FY 1996. In Fiscal Year 2000, the remaining 15 largest agencies were converted (General Accounting Office 2000). Currently, in odd-numbered sessions, the legislature considers funding for all budget units. In even-numbered sessions, the legislature considers supplemental adjustments to the approved biennial budget.

The line-item budget recommendations prepared by the legislative fiscal analysts in the fall provide the starting point for legislative deliberations on the budget. The primary duty for the JLBC analysts at the beginning of the legislative session is the presentation of budget recommendations to the appropriations committee in each chamber during budget hearings where each committee will develop a set of budget recommendations, based upon fiscal staff information and recommendations. The appropriations committees may meet jointly or separately.

Both committees are divided into subcommittees that cover the broad functional areas of state government. It is typical for these subcommittees to meet jointly to discuss the agency budgets within their jurisdiction. Although each appropriations committee has a majority and minority staff analyst to assist the committee members, the JLBC analysts are the primary source of fiscal information for the committee members. During budget hearings each JLBC analyst briefs the appropriations committees on his/her recommendations and compares the JLBC staff recommendation with that of the OSPB staff recommendation. Agency officials are also permitted to present their budget requests after the JLBC analyst presentation. Likewise, OSPB analysts are also present at the public hearings and have the opportunity to testify on behalf of the governor. Afterwards the JLBC analysts respond to any comments made by the OSPB.

In addition to presenting recommendations and answering questions within the appropriations committees and subcommittees, JLBC analysts support caucus deliberations on the budget as well. The main function in caucus meetings is to answer any questions that arise from the discussion of agency budget requests and analyst recommendations. Toward the latter part of the session, JLBC analysts are busy responding to specific requests for information, answering questions, and presenting the appropriations committees and party caucuses with a variety of policy options.

In addition to developing and presenting budget recommendations the fiscal analysts also prepare fiscal notes on legislation that may impact the state budget. Each analyst is responsible for preparing fiscal notes on bills with a potential

budgetary impact on the agency they have responsibility for. Finally, analysts are responsible for duties that are clerical in nature. Some of these duties include scheduling and coordinating committee and subcommittee meetings, assisting members in developing motions to implement alternatives to the JLBC staff recommendation, serving as the official "scorekeeper" of committee action, and recording that action into the official tracking system.

After subcommittee and full committee deliberation on the budget has been completed, the full house and senate will consider a general appropriations bill, commonly referred to as the "feed bill." The JLBC analysts draft the bill in accordance with committee action. The JLBC analyst responsible for a particular agency's budget will draft that portion of the "feed bill." In addition to the "feed bill," analysts also prepare the capital outlay bill which funds the construction and major maintenance and repair of state facilities are drafted by JLBC and the omnibus reconciliation bills that represent changes in law that are necessary to implement the budget. As in all states, once deliberation ends and the full house and senate pass these bills, they are sent to the governor for approval.

Colorado

Operating Environment

The six-member Joint Budget Committee (JBC) of the Colorado General Assembly has the support of a non-partisan staff. The JBC hires a fiscal staff director who subsequently hires the staff analysts. The JBC has the assistance of 15 legislative fiscal analysts who work solely on state agency budgets for the Colorado legislature. See Appendix B for an organization chart of the Colorado legislature and

legislative fiscal staff. Colorado statutes mandate that the JBC analyze the management, operations, programs, and fiscal needs of the departments of state government. In fulfilling that role, JBC staff "analysts review budget requests, prior year staff write-ups, statutes, appropriation reports, audit reports, interim committee reports, other pertinent information, and meet with agency personnel and other individuals to learn about programs, departments, and their operations" (Colorado General Assembly 2001).

Analysis of Agency Requests and Executive Recommendations

Although the Colorado legislature plays a strong role in the development of the budget, the executive branch begins the process with the submission of agency budget requests to the Governor's Office of State Planning and Budgeting (OSPB) in late summer and early fall. After review by the governor and the analysts within the OSPB, the agencies submit their requests that now include the governor's priorities to the joint budget committee by November 1. At this point, the legislative fiscal analysts review the executive budget and brief the joint budget committee on the agency budgets and executive priorities. Formal presentations are made by the analysts during these committee "briefings" which are open to the public. These "briefings" are written documents prepared by the analysts and accompany the formal presentations. The briefing documents are quite lengthy and cover such topics as an overview of the particular department, including key responsibilities, factors driving the budget, major funding changes for the last two fiscal years, an analysis of the priority requests of the department, and figures comparing actual expenditures with current year appropriations. Finally, the briefing documents contain a section on key

department issues. For example, the briefing document for the Department of Corrections discussed the impact of population projections on future bed needs and the status of facilities under construction in terms of completion date and cost.

According to the fiscal analysts, these briefings have two purposes. First, they are used to prepare the JBC members for upcoming agency hearings by alerting the JBC members of the issues surrounding the agency budget requests, agency operations, and agency plans for the future. Second, the questions and discussions that the JBC has regarding the briefings provide a basis for the budget recommendations made by the fiscal analysts later in the legislative session. The analysts become cognizant of the concerns and desires of the JBC based upon these discussions and incorporate these things into their budget recommendations. After the briefings, the JBC members decide what issues they wish to pursue with the agencies during the agency hearings. Fiscal analysts work with the JBC members to prepare a list of topics and a detailed agenda for the agency hearings held with most departments. The departments are given an opportunity to review the agenda prior to the hearing to give agency personnel time to respond to the issues and concerns of the JBC. The departmental hearings are held in late fall prior to the beginning of the legislative session in January.

Legislative Session Activity and the Development of Budget Recommendations

The Colorado General Assembly convenes annually beginning in January and deliberates on an annual budget. The first order of business by the Colorado Joint Budget Committee at the start of the session is to review agency requests for supplemental funding for the current fiscal year. The JBC analysts review the agency

requests for supplemental funding and make recommendations to the JBC. Once the JBC makes it recommendations, these supplemental requests are introduced as supplemental appropriation bills to be acted upon by the Colorado General Assembly.

After the certification of funds available for the next fiscal year has been completed, staff analysts begin making their budget recommendations for the upcoming fiscal year. Fiscal analysts again make formal presentations to the JBC explaining their recommendations and providing justifications for funding and changes in the number of employees for each of the state agencies. The presenting of budget recommendations typically takes place in March and April and is referred to as the "figure setting" process. The JBC will vote on each line item recommendation made by staff and any changes made by the JBC is incorporated into the "long bill," which represents the budget for state operations for the upcoming fiscal year. Each fiscal analyst is responsible for drafting a portion of the "long bill" corresponding to the agency for which they have made recommendations. It is introduced for consideration in both houses and it is first discussed in the party caucuses in both chambers. The JBC analysts are present at the caucus discussions to answer any questions and to prepare amendments made by the caucuses or individuals members that will be debated on the floor of each chamber.

Besides the primary tasks of briefings and budget recommendations, JBC analysts have other duties during the session. One such duty is the review of fiscal notes of bills prepared by the Colorado Legislative Council analysts. Analysts within this council, a legislative committee composed of House and Senate members, prepare fiscal notes of bills based upon analyses developed by the state agencies.

JBC staff subsequently review those fiscal notes and either concur with the legislative council staff or make additional comments regarding fiscal impact. The Colorado JBC analysts also staff the appropriations committees in each chamber. The appropriations committees are required by law to review all bills with a revenue or expenditure impact and are a secondary committee of reference on these types of bills. The staff function with regards to the appropriations committees is primarily a clerical one where the analyst calls the roll before the meeting and assists in handing out written documents. As with all the legislative fiscal analysts under study, the JBC analysts respond to a variety of member requests for information during the session.

After both houses pass the "long bill," the JBC members act as the conference committee to resolve any differences between the bills. The budget bill is then referred back to the full house and senate for passage. If passed, then the bill is sent to the governor.

Kansas

Operating Environment

The fiscal analysts in Kansas operate within the Fiscal Division of the Legislative Research Department (LRD) that comes under the auspices of the Legislative Coordinating Council (LCC). The LCC is a bipartisan committee of both House and Senates members who are responsible for most staff services in Kansas. The Chief Fiscal Analyst is appointed by the LCC who subsequently hires the fiscal analysts (Donlan and Weberg 1999). There are 11 legislative analysts in the fiscal division who provide budget information regarding state agencies to the Kansas

legislature. Kansas analysts work for all members of the legislature, but primarily provide staff support for the Senate Ways and Means Committee and the House Appropriations Committee. See Appendix B for an organization chart for the Kansas legislature and legislative fiscal staff. Kansas fiscal analysts are responsible for both general research and fiscal analysis to special committees, select committees, and most standing committees during the legislative session and during the interim. According to the Legislative Procedure Manual duties performed by the fiscal analysts include assisting committee chairpersons in planning committee work, formulating questions for committee chairs and members, preparing various reports, assisting members in researching topics and in responding to requests from constituents, analyzing agency requests for appropriations and fiscal impact of proposed legislation, and participating in revenue and expenditure forecasting (Legislative Procedure in Kansas 1998).

Analysis of Agency Requests and Executive Recommendations

The LRD fiscal analysts receive agency budget requests in mid-September at the same time that the analysts within the Kansas Division of Budget receive the requests. From mid-September until the beginning of the legislative session in January, the LRD fiscal analysts review and analyze the agency budget requests. By law, the executive recommendation, referred to as the governor's budget report, is submitted to the legislature on or before the 8th calendar day of each regular session. Shortly thereafter, the LRD fiscal analysts receive the executive recommendation for each agency. LRD fiscal analysts update their analysis of each agency to reflect the governor's recommendations.

The review and analysis of both the agency budget requests and subsequent gubernatorial recommendations are published in a budget "workbook" given to each legislator. This analysis entails reporting major departmental issues and budget requests, changes over current year expenditures and appropriations, and historical information on departmental programs and expenditures. According to the legislative fiscal analysts, this "workbook" is used by the legislators throughout the session as a reference guide to agency requests and executive recommendations. Unlike the fiscal staffs in Arizona and Colorado, the Kansas fiscal analysts do not develop or present budget recommendations to the Senate Ways and Means Committee and the House Appropriations Committee.

Legislative Session Activity

Kansas operates under an annual legislative session and annual budget cycle. However, 20 small regulatory agencies are budgeted biennially through two annual budgets (Grooters and Eckl 1998). Unlike Arizona and Colorado analysts, fiscal analysts in Kansas do not draft appropriation bills. The Office of the Revisor of Statutes (a legislative staff agency operating under the auspices of the Legislative Coordinating Council) is responsible for drafting the appropriation language. The governor's budget recommendations are embodied in the appropriations bill drafted by the Revisor's Office. All agency appropriations are contained in a single appropriations bill, commonly referred to as the "mega bill." The appropriations are considered simultaneously by the Senate Ways and Means Committee and the House Appropriations Committee. In addition to the "mega bill," there are also appropriation bills for supplemental appropriations and capital improvements.

Subcommittees of the Senate Ways and Means Committee and the House Appropriations Committee are appointed to review the appropriations of various agencies. LRD fiscal analysts present a summary of the agency requests and the executive recommendations to the subcommittees whereby the subcommittees are responsible for drafting a report detailing all adjustments to the governor's recommendations found in the appropriations bill. In addition to making formal presentations, Kansas fiscal analysts have clerical duties as well. Analysts are the primary support for the subcommittees of the Senate Ways and Means and House Appropriations Committees. In this capacity, analysts work with the subcommittee chairs to prepare agendas, contact agencies or specific individuals to appear and testify before the subcommittee, record subcommittee action, and prepare the subcommittee report to the full committee. After the submission of this report, the full committee in each chamber then discusses and votes on the subcommittee reports. The fiscal analysts are present in the house and senate chambers to explain the subcommittee reports and answer questions. Typically, a conference committee is convened to reconcile differences in the appropriation bills passed in each chamber. After passage by both chambers, the mega bill is submitted to the governor for approval. Throughout the legislative session, Kansas fiscal analysts must also respond to information requests by individual legislators and keep track of changes in bills by updating the bill tracking database.

Maine

Operating Environment

Legislative analysts in Maine work in the Office of Fiscal and Program Review that comes under the auspices of the Legislative Council made up of the ten elected members of the House and Senate leadership. The Maine Legislative Council is responsible for the overall management of the entire Maine Legislature. The Director of the Office of Fiscal and Program Review is appointed by the Legislative Council and subsequently hires the legislative fiscal analysts. In Maine, there are eight legislative fiscal analysts. Five of these analysts have sole responsibility for providing budget and fiscal information concerning state agency budgets to the Maine legislature. See Appendix B for an organization chart for the Maine Legislature and legislative fiscal staff. According to the *Legislators' Handbook: A Guide for Maine Legislators: Procedures, Services, and Facts,* 2001 Edition, analysts within the Office of Fiscal and Program Review provide these services: 1) staff the Committees on Appropriations and Financial Affairs, Taxation, and Transportation as well as other legislative committees as assigned, 2) collect and analyze fiscal and program information related to the finances and operation of state government, prepare general fiscal background materials, and monitor agency financial status, including transfers of funds, 3) analyze the governor's budget and all other appropriation requests and provide fiscal research upon request from legislators, legislative committees or commissions, 4) conduct special budget studies, including revenue and expenditure projections and trends, 5) review all bills and amendments for fiscal impact and prepare fiscal notes, 6) draft bills for introduction in cooperation with the Revisor of

Statutes, and 7) provide staff assistance to interim study subcommittees and commissions.

Legislative Session Activity and Analysis of Agency Requests and Executive Recommendations

Unlike the fiscal analysts in the other states, Maine fiscal analysts are at a disadvantage in reviewing and analyzing agency budget requests because they receive the requests at a later date than the executive budget office. The Maine legislature receives agency budget requests after the executive budget has been submitted to the legislature, early in the legislative session. It is at this point that the legislative fiscal analysts are responsible for analyzing the requests pertaining to the agencies under their auspices.

Although the Maine legislature meets annually, the budget is enacted biennially and encompasses two annual budgets. During the first annual session or the "long session," the budget for the state of Maine is enacted for the next biennium. This session generally runs from January through June in odd-numbered years. The "short session" runs from January through April of even-numbered years and budget activities during this session encompass supplemental requests for the current biennium.

The executive budget office drafts several appropriation bills (Grooters and Eckl 1998). These bills represent the governor's budget request and are referred to as the "unified budget proposal" for the expenditure of funds and the revenues projected to be available for the operation of state government. These bills must be submitted to the legislature by the Friday following the first Monday in January of the first

regular session (Legislators' Handbook 2000). The budget request encompasses two parts. Part I represents the current services budget which consists of requests for money to continue existing programs and services and Part II consists of additional money for new and expanded programs.

After the legislature receives the agency requests and budget bills, the Joint Standing Committee on Appropriations and Financial Affairs begins public hearings on each agency's requests. According to legislative rules, other committees of the legislature (policy committees) are required to review those parts of the budget relating to its subject area jurisdiction. These policy committees provide recommendations to the Joint Standing Committee on Appropriations and Financial Affairs. Furthermore, each policy committee appoints a subcommittee to serve as a liaison to the joint appropriations committee where the subcommittee participates in the deliberations.

The legislative fiscal analysts prepare their analyses of the agency requests to be used by the joint appropriations committee. These analyses include a comparison of historical and proposed financial and position requests and an explanation of the budget requests. These analyses are provided in written form to the director of the Office of Fiscal and Program Review who is responsible for presenting the information to the joint appropriations committee. Individual fiscal analysts do not make presentations before the committee. Agency directors are also present at the budget hearings and are responsible for summarizing their requests before the committee. After input from the policy committees and after the budget presentations have been made by the director and the agencies, the joint appropriations committee

votes on amendments to the budget bills originally submitted by the governor. The committee's report on the bills is submitted to the entire legislature for approval (Legislators' Handbook 2000).

In addition to providing information to the director regarding agency budget requests, each fiscal analyst is responsible for preparing fiscal notes. The fiscal note process in Maine is a significant duty of the legislative analysts as reported by analysts, legislators, and agency personnel. By joint rules of the Maine legislature, fiscal notes are required on "every bill or resolve affecting state revenues, appropriations or allocation or that requires a local unit of government to expand or modify that unit's activities" (Office of Fiscal and Program Review 2001). The joint rule also gave responsibility for fiscal note preparation to the Office of Fiscal and Program Review. The importance of the fiscal note process is reflective in the staff document outlining the fiscal note process. This document specifies the procedures for fiscal note preparation. While the legislature's joint rule places the sole responsibility for the creation of fiscal notes with the fiscal analysts, state agencies are required to cooperate with the fiscal analysts due to the agencies' expertise and program specific knowledge. Agencies are expected to review all legislation for potential impact and submit an estimate of fiscal impact to the OFPR. Subsequently, the OFPR analysts consider these estimates when preparing the fiscal notes (Office of Fiscal and Program Review 2001).

In conjunction with analyzing agency requests and executive recommendations and fiscal note preparation, Maine fiscal analysts also respond to a variety of requests from the joint appropriations committee as well as individual

legislators. The analysts also track legislatives changes to the budget throughout the session in an effort to keep the budget in balance.

Interim Work of Legislative Fiscal Analysts in all States

In addition to work specifically aimed at assisting legislators with decisions about the budget, analysts perform other tasks during the interim or after the legislature adjourns the regular session. Interim work for legislative fiscal analysts in all four states has similar qualities and characteristics. The interim is typically a time when analysts are involved in preparing session summaries, working for interim committees, and updating models, charts, and other information to be used during the next budget cycle. Analysts also use the interim to educate themselves on new agency programs and issues as well as federal legislation that could impact state operations. Analyst comments concerning interim activities included:

> After the session is over, we do year-end reports and a report summarizing the appropriations bill. We also get out into the field to see our institutions. We get to know people in our agencies, make contacts, this helps during the year when I have to ask them for information. We typically do not do constituent work, members have interns and aides who do this, although we may provide a contact or phone number for these people. I look at the kinds of issues relevant to the committee for next year, I ask the department about the kinds of initiatives they are undertaking. I spend a lot of time looking at federal law, the federal welfare reform legislation for example. I watch rulemaking by the feds, to find out the budget impact on the state. (Legislative Fiscal Analyst)

> During the interim, I usually answer a wide variety of member questions. Members see something in the newspaper, and want more information on it. I try to understand the budget better to help me during the session. I look at new programs, how are they working? I look at other states and update my models. If the committee tours a facility, then I go with them. (Legislative Fiscal Analyst)

> In summer, its mostly dealing with individual legislator requests for information, "on the spot" requests where members come into our office and ask questions, it could be a constituent request, or members thinking about future legislation. Some interim committee staffing is necessary as well. (Legislative Fiscal Analyst)
>
> We often get requests for interim committee work or projects from interim committees. (Legislative Fiscal Analyst)

In summary, all of the analysts interviewed are nonpartisan and work in fiscal offices or staff joint budget committees. Each analyst is responsible for a specific agency(s) or policy area. The Colorado and Arizona legislatures have stronger roles in the budget process than legislatures in Maine and Kansas. This stronger role impacts the duties of the legislative fiscal analysts in these states. The analysts in Colorado and Arizona are given the responsibility of not only reviewing and analyzing agency budget requests and executive recommendations, but they must also provide the fiscal committees with budget recommendations. A more complete look at the differences and similarities in duties follows.

Agency Responsibilities and Duties of Legislative Fiscal Analysts

During the interview process, the legislative fiscal analysts reported a wide variety of duties such as identifying and analyzing fiscal and programmatic issues, preparing various fiscal reports, gathering background data on specific legislative issues, drafting legislation, preparing reports to committees and individual members, and in some cases, making budget recommendations.

In the course of fulfilling these duties, legislative fiscal analysts must understand the agencies they are responsible for, both fiscally and programmatically.

Many of the analysts reported that they must have a broader range of knowledge than other legislative staff because they receive both programmatic and fiscal questions from legislators. Many types of activities facilitate an understanding of state agency programs and services such as onsite visits of state facilities, developing a network of agency contacts, participating in agency meetings and work sessions, and attending legislative committee meetings on subjects related to the agency for which they have responsibility. Therefore, it can be assumed that analysts become experts in a particular policy area because of these activities. This issue will be explored in subsequent chapters. However, some of the analysts might be in a better position to become experts in a specific policy area due to the number of agencies they have responsibility for and the size of the fiscal office in which they work.

The legislative fiscal analysts and executive budget analysts in this study were asked to state the number of agencies under their responsibility. Table 3.3 shows the variation in the number of agencies assigned to the legislative fiscal analysts and executive budget analysts in this study. When reviewing the number of agencies of the legislative fiscal analysts, the legislative fiscal analysts interviewed from Arizona and Colorado have fewer agencies compared to the analysts in the other two states. Furthermore, the number of fiscal analysts solely responsible for budget analysis is greater in Arizona and Colorado than in Kansas and Maine. Table 3.4 also indicates that the executive budget analysts in Arizona and Colorado have more agencies and supervisory duties than their legislative counterparts. Kansas legislative fiscal analysts and their executive budget counterparts are more evenly matched in terms of job responsibilities, while Maine executive budget analyst have fewer agency

responsibilities than the Maine legislative fiscal analysts. Therefore, Arizona and Colorado legislative analysts may be in a better position to become experts in a particular policy area because they are responsible for only one policy area or agency.

Table 3.3
Number of Agencies Per Analyst By State and Policy Area

State/Policy Area	Legislative Fiscal Analyst	Executive Budget Analyst
Arizona		
Corrections Analyst	1	1 + supervisory duties*
Education Analyst	1	4
Medicaid Analyst	1	3 + part of another agency**
Colorado		
Corrections Analyst	1	3
Education Analyst	1 + part of another agency**	1 + supervisor duties*
Medicaid Analyst	1	1 + supervisor duties*
Kansas		
Corrections Analyst	14	NR***
Education Analyst	8	8
Medicaid Analyst	2	1
Maine		
Corrections Analyst	NR***	5
Education Analyst	24	15
Medicaid Analyst	16	4

Note: The data in this table represent agency assignments as of January 2002. The number of analysts represents only those analysts with responsibility for agency budgets. It does not include analysts with sole responsibility for revenue forecasts, fiscal note preparation, personnel review, or tax policy.
* Individual is responsibility for supervising junior analysts within office.
** Agency responsibility is split among two or more analysts where the analyst has responsibility for one or more offices or divisions of an agency but not responsibility for the entire agency.
***NR=No response from individual.

Table 3.4 shows the number of analysts in each type of office. In two states, the number of legislative analysts responsible for the review of state agencies is larger than the number analysts in the executive budget office (Arizona and Colorado). Kansas and Maine legislative analysts are outnumbered by their executive budget counterparts.

Table 3.4

Number of Analysts by State and Office[1]

STATE	Legislative Fiscal Office	Executive Budget Office
Arizona	23	13
Colorado	15	12
Kansas	11	13
Maine	5	7

Note: Number of analysts in each office represents only those analysts with primary responsibility for agency budgets. The number does not include office directors, deputy directors, or individuals with primary responsibility for revenue forecasts, fiscal note preparation, personnel or tax policy.

Tables 3.3 and 3.4 indicate that the number of Arizona and Colorado legislative fiscal analysts responsible for state agency budgets is larger than the number of analysts in the executive budget office as well as their legislative counterparts in Kansas and Maine. The larger staff size allows analysts in Arizona and Colorado to have fewer agency responsibilities, thus, allowing them to specialize in one agency or policy area.

Types of Duties Performed by Legislative Fiscal Analysts

Through a review of previous literature on the duties and roles performed by legislative and executive staff (Balutis and Butler 1975, Thurmaier and Gosling 1997) as well as comments from the analysts in this study, several broad types of legislative fiscal analyst duties were identified. Legislative fiscal analysts were asked to describe and provide examples of the duties that they perform for the legislature when it is making decisions about the budget. The interviewer reviewed these activities and grouped like activities into four broad types of duties: clerical, monitoring, facilitating, and policy initiating. This section describes the activities that comprise each type of duty. After the description of general duties, the analysts were asked to cite their primary duty for the legislature when it is making budgetary decisions. Although fiscal analyst duties are similar among states, the type of duty and when it occurs differs among the states under study. Therefore, the final section of this chapter reports the primary duty performed by analysts in each state as well as other secondary duties performed, variations in duties among the states, and the point at which these duties occur in the budget process.

Types of Duties

The Clerical Worker. One of the main clerical activities of legislative fiscal analysts is the staffing of committees and subcommittees. This activity includes scheduling meetings and testimony at the request of committee and subcommittee chairs, handing out reports and other documents, recording committee actions, and preparing the committee or subcommittee report. These types of clerical activities

can occur during the legislative session and during the interim as many analysts are requested to staff interim committees. Other clerical activities include tracking appropriations bill(s) and amendments through some type of bill and amendment database. Maine analysts report keeping up with additions to the budget made by legislators throughout the legislative session in an effort to maintain budget balance. Further, Arizona and Colorado analysts have responsibility for drafting portions of the appropriations bill dealing with their area of expertise based upon legislative recommendations in that area. Several analysts commented on their clerical duties:

> We staff the appropriations committees. We hand things out. We record the discussions. (Legislative Fiscal Analyst)
>
> I also staff the appropriations committees. This is a clerical role, no speaking here other than just calling the roll. (Legislative Fiscal Analyst)
>
> I staff the appropriations subcommittee on human services. I prepare written documents on the subcommittee recommendations that are read before the full appropriations committee. (Legislative Fiscal Analyst)
>
> We review the appropriations bill to see that the right committee recommendation got in the bill. We would correct any mistakes made when amending the bill. (Legislative Fiscal Analyst)
>
> We make arrangements for other people to be there [at the subcommittee meeting], contacting agencies to appear, as well as other lobbyists for example. We know the people in the agencies and the legislators' secretaries do not, so it is easier for us to call and schedule these people. (Legislative Fiscal Analyst)
>
> I amend the portion of the appropriations bill that concerns Medicaid based upon the budget recommendations from the House Appropriations and Senate Ways and Means Committees. (Legislative Fiscal Analyst)

The Monitor. All analysts reported having responsibility for some type of agency or fund monitoring. The most frequently cited monitoring activities were the

tracking of agency expenditures and the preparation of spreadsheets recording changes in caseloads, or tracking the implementation of an agency program to chart progress or congruence with legislative intent. As with some clerical duties, monitoring also occurs throughout the year as many analysts report these types of activities occurring during the legislative session as well as the interim. Further, there are some similarities in monitoring activities within each policy area. For example, all of the analysts responsible for the Medicaid program reported keeping abreast of caseload growth. Two analysts develop their own caseload models, while the other relies upon information collected by the agency or from the executive budget office. The two analysts responsible for developing their own Medicaid models often participate in meetings with agency officials and the executive budget office where issues impacting caseload are discussed. Two of the corrections analysts pointed to monitoring the number of prison inmates and beds needed in the state correctional facilities. Finally, legislators also request analysts to provide expenditure or revenue histories for a variety of agencies and programs. Analyst comments regarding activities that involve monitoring included:

> I provide technical estimates for the foundation formula for education expenditures. (Legislative Fiscal Analyst)
>
> I found a $20 million math error in the budget request for the Medicaid program. I said, this must be wrong. I called the budget director and asked that her people check into it. (Legislative Fiscal Analyst)
>
> I look at inmate growth, implications of proposed changes in the law, and case processing in the courts to figure out if there is a backlog. I estimate whether these things mean more inmates or less.
> (Legislative Fiscal Analyst)

> My job is a technical job. I look at the Medicaid forecast. I look at health care trends, number of recipients, clients served, types of services used and when, etc. (Legislative Fiscal Analyst)
>
> I track expenditures throughout the year. I make sure the agencies are following the guidelines set by the legislature. I review department expenditures and report to the legislature whether they have over spent in a particular area. (Legislative Fiscal Analyst)
>
> Legislators ask me to provide an historical perspective on Medicaid. What are the biggest cost drivers for that program, what are the trends in costs? Caseloads? (Legislative Fiscal Analyst)
>
> I project revenue gaps and provide current and projected cash flows for particular state funds. (Legislative Fiscal Analyst)

The Facilitator. Facilitation occurs when analysts respond to a wide range of information requests from legislators and disseminate that information to them. In the course of facilitating, it may be necessary to make contact with a variety of individuals such as agency personnel, the executive budget office, other legislative staff, and external organizations. Facilitation also implies that analysts are learning about the agencies they are assigned. This knowledge can be passed on to legislators when questions arise.

Facilitation also includes but is not limited to, the summarization and examination of agency requests and/or executive budget recommendations. When analyzing agency requests and executive recommendations, analysts point out issues that legislators should be aware of such as potential problems with programs or funding, possible federal regulations or legislation that may impact a state agency or program, and caseload growth and trends. Further, these analyses may include current fiscal year expenditure summaries and comparisons to previous fiscal years, current appropriation levels, and other caseload or fiscal data. Facilitation also

involves fiscal note preparation as analysts determine the fiscal impact of a particular bill on agency programs or the fiscal impact of legislation on local communities. The end result of the review and analysis of agency requests, executive recommendations, and/or fiscal note preparation is the dissemination of that analysis to the legislature through formal presentations, meetings with individual legislators, and/or through written documents. See appendix C for examples of an analysis of an agency request and Appendix D for an example of a fiscal note. Comments from analysts further explain the activities associated with facilitation:

> I must let my bosses [legislators] know what the issues are. The department may say that the issues are X, Y, and Z and I think that it is X. (Legislative Fiscal Analyst)

> I clarify the issues for legislators. For example, public hospitals in the Denver area do about the same things, they take care of people on Medicaid. But one hospital had costs that were 20 percent higher than the others. Legislators wanted to know why this occurred. I sat down with the finance officer of that hospital and was able to find out that the variable driving that increased cost was the case mix, the people in that particular hospital were sicker than those in the other hospitals. I identified what is the real issue, the real problem and relayed that information back to legislators. (Legislative Fiscal Analyst)

> We make presentations to the committee in the fall during the briefings [analysis of agency budget requests] where we review the agency requests and brief members on the various issues regarding the agency. (Legislative Fiscal Analyst)

> We provide them [legislators] with an analysis of the executive budget, this is a comparative analysis of the agency request versus the executive recommendation. (Legislative Fiscal Analyst)

> My job is to know what is going on in my agency to facilitate decisionmaking. I am a source of information when they aren't in town. I keep them updated. (Legislative Fiscal Analyst)

> I provide fiscal notes on each bill. This entails getting information from the departments on what this proposal would cost What would be the impact on the department of this change? This takes a lot of my time during the session. (Legislative Fiscal Analyst)

The Policy Initiator. Policy initiation occurs when fiscal analysts prepare budget recommendations for the joint budget committee or appropriations committees based upon their own research and knowledge provide budget recommendations. In this role, the analyst goes beyond scrutinizing and evaluating agency budget requests, programs, and the fiscal impact of proposed legislation to one where the analyst recommends new agency programs or positions, changes in existing programs or positions, and additions or reductions in funding Analysts in two states perform this type of duty. In Arizona, budget recommendations are developed prior to the legislative session. Colorado legislative fiscal analysts prepare budget recommendations in March or April when the legislature is in session. Analysts in Arizona and Colorado make budget recommendations on each line-item appropriation and number of agency positions and formally present their recommendations to the fiscal committees. See Appendix C for an example of a budget recommendation. Analysts responsible for making budget recommendations described this activity:

> When we develop our recommendations in the fall, we look at the agency request and executive recommendation and meet with committee chairs to go over these requests. We then present these recommendations to the appropriations committee (Legislative Fiscal Analyst)

> In early spring, we make presentations to the committee when we present our budget recommendations verbally and through a written document. I make recommendations by each line item and on funding and number of positions. We also make recommendations on mid-year adjustments. (Legislative Fiscal Analyst)

> I am responsible for making recommendations for each line in the Corrections budget. To do this, I review the budget, call the agency if I have questions, and incorporate the concerns raised by the legislators during earlier public hearings on the agency requests. (Legislative Fiscal Analyst)

Another activity that falls within this category is the development of policy options for individual legislators or legislative committees. The analyst taking on the policy initiator role also provides policy options or alternatives to legislators. In this role, analysts initiate policy themselves by providing legislators with different policy options that may include providing several funding sources for a new program and/or fleshing out different means of operating a program or delivering a service. Requests for policy options come either from individual legislators or the committee chair will formally request staff to provide various policy options to the committee. Comments regarding policy options included:

> A legislator wanted to expand coverage for the uninsured. He asked how could we set up a system to cover the uninsured? What would the cost be? (Legislative Fiscal Analyst)

> If a member wants to change the eligibility requirements for a particular program, then I would research the cost of doing that. (Legislative Fiscal Analyst)

> I am often asked to find alternatives for increasing revenues or different options on funding a particular program. (Legislative Fiscal Analyst)

> We let the chairs know what is going on with the agency and we would provide them with a list of options, how can the budget be decreased or increased in certain areas. I give them various options, the pros and cons and then I incorporate their comments into the budget recommendation. (Legislative Fiscal Analyst)

Variation in Duties

While analysts in all four states are responsible for undertaking many of the same clerical, monitoring, information collection and dissemination, and review and analysis duties, variations do exist in reported primary and secondary duties and the point in the budget process where these duties occur. Table 3.5 indicates that there are three duties common to the analysts in the states under study: summarizing agency budget requests and/or executive recommendations, responding to information requests, and tracking agency expenditures, caseloads, etc. Therefore, facilitation/analysis and agency monitoring are the two types of duties found in all four states. Beyond this commonality, duties vary among the analysts.

One of the most important distinctions in analyst duties occurs in Arizona and Colorado. Analysts in these states prepare budget recommendations, while analysts in other states do not. Similarly, Arizona and Colorado analysts also have responsibility for drafting portions of the appropriations bill(s). The preparation of budget recommendations and drafting the appropriations bill by staff reflects the strength of the Arizona and Colorado legislatures in the budget process. Whereas, in Kansas and Maine, analysts do not make budget recommendations and the governor's budget is embodied in the appropriations bill drafted by other entities.

Although three states are involved in some way with fiscal impact analysis, the nature of involvement and the amount of time spent on this analysis varies. The preparation of fiscal impact statements is the most time consuming for analysts in Arizona and Maine. Four of the five analysts interviewed in these states reported a significant amount of time preparing fiscal impact statements on proposed legislation.

Analysts in Arizona and Maine are provided with fiscal note guidelines and general format for the preparation of fiscal notes. In Arizona, fiscal notes are prepared at the request of individual legislators and are submitted to the fiscal analyst responsible for fiscal note coordination who subsequently assigns the request to the appropriate fiscal analyst (Baffour 2000). In Maine, fiscal notes are required by joint rules of the legislature and analysts are responsible for preparing notes for all bills and amendments in their policy area. As in Arizona, a principal analyst is responsible for coordinating the fiscal note process. In Colorado, the fiscal note section of the Legislative Council has the responsibility for fiscal note preparation. However, Colorado fiscal analysts report that they review the fiscal notes prepared by the fiscal note section and make corrections or additions if needed.

Analysts in Arizona, Colorado, and Kansas report making formal presentations to their respective fiscal committees, primarily regarding the review and analysis of agency requests and executive recommendations. Maine analysts do not report such presentations on agency requests and executive recommendations, as this duty is reserved for the fiscal staff director and agency directors.

Primary Duty

As the legislative fiscal analysts were describing their general duties, they were also asked to identify their primary duty for the legislature when it is making decisions on the state budget. Table 3.5 indicates that fiscal analysts in Arizona and Colorado report their primary duty is twofold: preparing briefings or analyses of the agency budget requests and preparing budget recommendations for the legislative committees responsible for the budget. These activities were deemed so important

that analysts in these states had a difficult time choosing the primary duty. For analysts in Arizona, the process of analyzing requests and preparing recommendations occurs at the same time over a period of a few months, whereas in Colorado, the two duties are done at different times in the budget process.

Likewise, Kansas and Maine analysts also report that the analysis of agency budget requests is a primary duty, but other duties are also important. For the analysts in Kansas, staffing the subcommittees of the Senate Ways and Means Committee and the House Finance Committee takes up a lot of their time during the legislative session. These subcommittees meet two or three times a week and the chairs of the subcommittees rely upon the Kansas analysts to coordinate meetings, assist in the development of agenda, record subcommittee action, hand out material to the committee members, and draft subcommittee reports. As discussed above, the Maine analysts interviewed reported that preparing fiscal notes on all legislation having a fiscal impact is a significant part of their daily work during the legislative session. In addition to the fiscal impact statements, Maine analysts also report that they engage in the preparation of financial reports and historical and trend analyses.

Table 3.5
Duties Performed and Primary/Secondary Duties* of Legislative Fiscal Analysts

Duty	Arizona	Colorado	Kansas	Maine	Type Of Duty
Budget recommendation preparation	#1	#1			Policy Initiator
Review and evaluation of agency budget requests	#1	#1	#1	#1	Facilitator
Development of policy options	X	X	X		Policy Initiator
Fiscal note preparation	X			#2	Facilitator
Fiscal note review		X			Facilitator
Presentations to committees	X	X	X		Facilitator
Staffing committees		X	#2		Clerical Worker
Responding to Information Requests	X	X	X	X	Facilitator
Tracking expenditures/caseloads	X	X	X	X	Monitor
Drafting appropriations bill(s)	X	X			Clerical Worker
Checking appropriation bill(s) for accuracy	X	X	X		Clerical Worker

X= Denotes duty performed by analysts
#1= Denotes primary duty
#2= Denotes secondary duty

Table 3.5 reports the point at which specific duties are performed by the legislative analysts in each state. The most significant feature of Table 3.5 is the time frame or starting point for the analysts. The budget process begins earlier for analysts in Arizona, Colorado, and Kansas due to the submission of agency requests and/or executive recommendations before the session begins. Whereas Maine analysts have a shorter time frame for the analysis of agency requests as they receive agency requests at the beginning of the legislative session in January.

Unlike analysts in Arizona and Kansas, analysts in Colorado make two sets of formal presentations to committee members. The first presentation or "briefing" occurs in December after the receipt of the executive budget proposal in November. These "briefings" comprise the review and analysis of agency requests and executive recommendations. A second round of formal presentations occurs March through April. At this time, the analysts present the Colorado Joint Budget Committee with their budget recommendations.

Development of policy options, fiscal note preparation, responding to legislator requests, staffing committees, and tracking agency expenditures occur throughout the legislative session in all states where these activities are undertaken. Finally, Arizona analysts draft their portion of the appropriations bill after agency hearings and after committee, subcommittee, and caucus deliberations have taken place. Likewise, Colorado analysts draft the appropriations bill after presenting budget recommendation to joint committee and after receiving the line-item recommendations by the committee.

Table 3.6
Point in Budget Process When Duty Occurs

Duty	State	Point When Duty Occurs in the Budget Process
Budget recommendation preparation	AZ	Nov-Dec, prior to legislative session
	CO	Jan-April, during legislative session
Review and evaluation of agency budget requests	AZ	Nov-Dec, prior to legislative session
	CO	Nov-Dec, prior to legislative session
	KS	Sept-Dec, prior to legislative session
	ME	Jan, beginning of legislative session
Development of policy options	AZ	Before and during legislative session
	CO	Before and during legislative session
	KS	Before and during legislative session
Fiscal note preparation	AZ	Throughout legislative session
	ME	Throughout legislative session
Fiscal note review	CO	Throughout legislative session
Presentations to committees, subcommittees, caucuses	AZ	Jan, beginning of legislative session
	CO	Dec, prior to legislative session AND March-April
	KS	Jan, beginning of legislative session
Staffing committees	CO	Throughout legislative session
	KS	Throughout legislative session
Responding to Information Requests	AZ	Throughout legislative session
	CO	Throughout legislative session
	KS	Throughout legislative session
	ME	Throughout legislative session
Tracking expenditures/caseloads	AZ	Throughout legislative session
	CO	Throughout legislative session
	KS	Throughout legislative session
	ME	Throughout legislative session
Drafting appropriations bill(s)	AZ	Middle of legislative session
	CO	Middle to end of legislative session
Checking appropriation bills for accuracy	AZ	Throughout legislative session
	CO	Throughout legislative session
	KS	Throughout legislative session

Conclusion

Legislative fiscal analysts and executive budget analysts perform similar functions for the legislature and executive, respectively. Both groups of analysts have responsibility for a specific agency or group of related agencies and provide

information to their bosses regarding agency budget requests, budget recommendations from either the executive branch or legislative branch, and other fiscal and programmatic issues of importance to the state. While the legislative fiscal analysts operate in a nonpartisan environment where they respond to the needs of legislators from all political parties, their executive budget counterparts have one master in the governor.

Of those interviewed, more women made up the ranks of legislative fiscal analysts than executive budget analysts. The executive budget analysts were younger and held slightly less tenure than the legislative fiscal analysts. With respect to education, legislative fiscal analysts and executive budget analysts are highly educated individuals, with 86 percent holding a master's degree or doctoral degree. The legislative analysts are more likely to hold degrees in public administration, political science, and public policy while their executive budget counterparts are more likely to be educated in business related fields. Most legislative analysts reported working previously in a state agency or a local government, while most executive budget analysts reported working in either state agencies or the private sector. The higher presence of previous employment in the private sector for executive budget analysts may reflect the higher presence of business related degrees among this group. Executive budget analysts may be pulled from the ranks of the private sector more frequently than legislative fiscal analysts and those executive budget analysts from the private sector are more likely to have business or accounting degrees.

Overall, legislative fiscal analysts were very pleased and satisfied with their jobs. This satisfaction draws mainly from the great variety and challenge of the job

including the exciting political environment in which these analysts work. Long work hours and pressure to perform within a limited amount of time are the primary negative factors regarding work as a legislative fiscal analyst.

In support of the legislature, analysts from all four states perform many of the same duties. In this study, all of the analysts engaged in the review and analysis of agency requests and executive recommendations, agency monitoring, and responding to legislator requests for information. The analysis of agency requests and executive recommendations is the primary duty for all analysts, although Colorado and Arizona analysts also report that the development of budget recommendations is a primary duty. The most significant difference in duties among analysts in the four states under study concerns the development of budget recommendations. Arizona and Colorado analysts are given the responsibility for developing and presenting budget recommendations to the legislature, while analysts in the other two states do not undertake this duty. Reflecting the strength of the legislature in Arizona and Colorado, analysts not only develop budget recommendations for the legislature, but they also draft the appropriations bills that are the basis for legislative deliberation on the budget.

From the description of duties by the legislative fiscal analysts, facilitating and monitoring are the types of duty common to all eleven analysts. Facilitation require analysts to understand their assigned agency(s) including both fiscal and programmatic issues as well as develop contacts with agency personnel and the executive budget office in an effort to collect pertinent information regarding state agencies. Facilitation also requires communication skills to effectively disseminate

that information in a variety of formats to the legislator or legislative committee. Monitoring refers to activities such as preparing revenue and expenditure trends and analyses and monitoring caseloads.

The next chapter discusses the relationships that analysts have with key budget actors including legislators, agency personnel, and executive budget analysts. In the course of this discussion, more light is shed on facilitation as legislators respond to questions regarding the most useful types of information provided to them by the analysts, legislator reliance on that information, and the degree of direction and discretion given analysts when providing such information. Further, in an attempt to identify factors that condition influence, the frequency and nature of contact among the key budget actors will be discussed as well as the views of agency personnel and executive budget analysts on the importance of establishing good relationships with legislative fiscal analysts. Finally, in an effort to validate the responses of the analysts regarding the duties and activities performed, both legislators and agency personnel will comment on their perceptions of the most appropriate role played by the legislative fiscal analyst.

NOTES

1. Sources for Table 3.4: Arizona legislative staff available at www.azleg.state.az.us/jlbc/jlbcstf.htm accessed November 1, 2001. Arizona executive staff available at www.state.az.us.ospb/pdf0203_Mid-Biennium_Book.pdf accessed November 1, 2001. Colorado legislative staff available at www.state.co.us/gov_dir/leg_dire/jbc/staff.htm accessed October 1, 2001. Colorado executive staff available at www.state.co.us/gov_dir/govnr_dir/ospb/Budget_analysts.htm accessed October 1, 2001. Kansas legislative staff available at http://skyways.lib.ks.us/ksleg/KLRD/klrd.html accessed October 1, 2001. Kansas executive staff available at http://da.state.ks.us/budget/staff.htm accessed on October 1, 2002. Maine legislative staff available at www.state.me.us/legis/ofpr/contact.htm accessed October 1, 2001. Maine executive staff available at www.state.me.us/budget/web-b-staff.pdf accessed October 1, 2001.

CHAPTER FOUR

Legislative Fiscal Analysts: Roles and Relationships with Key Budget Actors

In the course of enacting the state budget, many actors are involved. State agencies prepare agency budget requests reflecting their needs but also in concert with gubernatorial budget priorities and objectives. The executive budget office reviews and adjusts the agency requests to reflect the governor's perspective. Finally, the legislature gets its opportunity to review the executive budget and pass an appropriations bill with the support of legislative analysts who provide the basic information from which legislators make decisions. Therefore, the state budget is shaped by a variety of actors.

This chapter explores the relationships that exist between legislative analysts and the other key actors involved in the development of the state budget. Because legislative fiscal analysts work for the legislature, special attention will be devoted to the relationship that exists between legislator and analyst, including the frequency and nature of contact, the most useful information provided by the analysts, the discretion with which it is provided, and legislator reliance on that information. Legislators also reveal the role that best characterizes legislative fiscal analysts in the budget process. The relationship between analyst and legislator is important in understanding how analysts assist legislators in making budgetary decisions, arguably some of the most important decisions made in state government. Agency personnel also describe the role of the legislative fiscal analyst responsible for their agency's budget. By determining the roles that analysts play with respect to their assigned agencies, we can compare legislative fiscal analyst roles with executive budget

analyst roles with which there is previous research. Finally, as facilitators of information, legislative fiscal analysts interact with agency personnel and the executive budget office to get the information needed for the legislative branch. This chapter explores this interaction as well as responses from agency officials and executive budget analysts on the importance of establishing a good relationship with the legislative fiscal analyst.

Legislative Fiscal Analyst Relationships with Legislators

In their capacity as fiscal staff, analysts are charged with providing a variety of services to the fiscal committee(s) in their respective state legislatures. These services were identified and discussed in Chapter Three as the general duties of legislative analysts and included such activities as analyzing agency requests and executive recommendations, developing budget recommendations, preparing fiscal notes, collecting various expenditure data, preparing reports, staffing committees, researching issues, and responding to legislative requests for information.

In this study, 13 chairs and members of either appropriations or budget committees and subcommittees were interviewed. These committees are responsible for reviewing agency budget requests, listening and responding to legislative fiscal analyst presentations on agency budgets, and making recommendations on the state budget. Therefore, legislators sitting on these committees were contacted due to their position to assess the role of legislative fiscal analysts in the state budget process. The researcher was able to interview legislators from each of the four states under study. Due to the differences in committee structure among the four states, different types of members were contacted and interviewed in each state. When possible,

subcommittee chairs in the policy areas that correspond to the assigned agencies of the legislative fiscal analysts were interviewed. Full committee members and chairs were interviewed in those states without subcommittees. In Arizona, Kansas, and Maine, four legislators were interviewed for this study. Only one legislator from the Colorado Joint Budget Committee was interviewed for this study as other committee members failed to respond to the interview request.

During the interview process, analysts and legislators were asked a variety of questions regarding the nature and frequency of their interactions, the most useful information provided by analysts, the degree of analyst discretion in providing that information, legislator trust and reliance on analysts for information, and whether legislators ask analysts for advice. These questions were designed to better understand the relationships between fiscal analysts and legislators, as these relationships have not been explored in previous literature. Further, by understanding these relationships, we can determine if they condition legislative fiscal analyst influence in the budget process.

Contact between Legislative Fiscal Analyst and Legislator

The first questions asked of legislative fiscal analysts were whom they come into contact with and for whom they perform the most work. In answering these questions, analysts were asked to select from a variety of legislators: individual legislators, committee members, committee chair, caucus leaders, members of a particular political party, or members in either the House or the Senate. In general, there are common patterns of analyst contact with legislators. All analysts reported having primary interaction with and giving primary support to the members of the

fiscal committees. The most common place of contact is in the committee setting. However, there are variations in interaction among analysts in the four states due to differences in committee structure. Arizona and Kansas have similar committee structures that are comparable in size. Both states have appropriations committees in each chamber. The Arizona House Appropriations Committee is comprised of 17 members and the Arizona Senate Appropriations Committee has a total membership of 12 legislators. The Kansas Senate Ways and Means Committee is comprised of 11 members and the Kansas House Appropriations Committee has a total membership of 23. In both states, the committees are broken down into subcommittees responsible for distinct subject areas. In contrast, joint committees operate in Colorado and Maine where the Colorado Joint Budget Committee (JBC) has only six members and the Maine Joint Committee on Appropriations and Financial Affairs is comprised of 13 members. Unlike Arizona and Kansas, the Colorado and Maine joint committees have no subcommittees. See Appendix B for an organizational chart showing the size and composition of each of the fiscal committees in the four states under study.

Committee structure and size are factors in explaining contact between analyst and legislator. Analysts in Arizona reported primary contact with and working for the appropriations committee chairs and subcommittee chairs in each chamber, followed by the members of those committees. Arizona analysts are often in attendance in the appropriations committees and subcommittees but legislative fiscal analysts also reported attending caucus meetings where they present information and answer various questions. In Kansas, while all three analysts reported primary contact with

and working for individual members of the Kansas House Appropriations and Kansas Senate Ways and Means committee, interaction with subcommittee chairs is quite frequent at the beginning of the legislative session when subcommittees are reviewing agency budget requests and making recommendations to the full committee. Although Arizona analysts report attending committee, subcommittee, and caucus meetings frequently when making formal presentations and answering specific questions, Kansas analysts are always present in subcommittee meetings due to their role as primary clerical staff. Therefore, visibility for Kansas legislative analysts is quite high among subcommittee members primarily due to their role as the sole staffers for the subcommittees.

The two Maine analysts interviewed reported primary contact with and working for the individual members of the Joint Committee on Appropriations and Financial Affairs. Similarly, analysts in Colorado report coming into contact with and working more for the members of the joint committee as whole, as opposed to committee chairs. Unlike analysts in the other three states, none of the Colorado legislative analysts interviewed made a distinction in contact and primary service between the committee chair and committee members. Due to the small size of the Colorado budget committee, analysts serve all members equally. Therefore, the size of the committee may dictate the interaction between analysts and legislators. With larger committees, analyst contact is more frequent with committee and/or subcommittee chairs. In this study, as committee size decreases, contact with all members of the committee is more common.

From the legislative perspective, some interesting legislator-analyst relationships come to light. Full committee chairs and members were asked to report how much contact they have with the three legislative fiscal analysts responsible for the budgets of the Corrections, Education, and Medicaid agencies. Subcommittee chairs and subcommittee members were asked to report how much contact they have with the legislative fiscal analyst responsible for the particular state agency corresponding to the subcommittee's jurisdiction. The first question asked of legislators required them to identify by name the legislative fiscal analyst responsible for the budgets of the Corrections, Education, and Medicaid agencies. This question attempted to assess the general legislative awareness of the legislative fiscal analyst responsible for each policy area. The Colorado legislator interviewed accurately identified all three analysts, while one minority party legislator in Arizona and one legislator in Kansas could not identify the analyst responsible for the Corrections Department. No legislator in Maine could accurately identify all three analysts by name. Although the number of legislators interviewed was small, this question indicates that Maine analysts were the least likely to be identified by the legislators for which they work.

Legislators were also asked whom they have more contact with, the legislative fiscal analyst or the fiscal office director. Legislators in Arizona, Colorado, and Kansas reported more frequent contact with the legislative fiscal analyst responsible for a particular agency's budget, while Maine legislators reported more frequent contact with the fiscal office director or the principal analyst. However, legislators from all states reported contacting the fiscal analyst more frequently than the fiscal

office director when they have a specific question regarding an agency's budget. If the legislators have a more general question about state finances, they are more likely to contact the director.

When legislators were asked how much contact they have with the legislative fiscal analyst several patterns emerged. In all states, direct legislator contact with the analysts is episodic and coincides with the major duties that the analysts perform. Legislator contact with legislative analysts is quite frequent when analysts present their review and analysis of agency requests and executive budget recommendations. This period of frequent contact occurs prior to the legislative session for Arizona and Colorado analysts and at the beginning of the session for Kansas and Maine analysts. Additionally, Colorado analysts present their budget recommendations formally to the Joint Budget Committee during the months of March and April and there is frequent legislative contact with analysts at this point.

In those states with subcommittees (Arizona and Kansas), the subcommittee chairs reported at least weekly contact and, at times, daily contact with the analyst responsible for the subcommittee's policy area. In Arizona, legislative fiscal analysts and chairs interact during the scheduled subcommittee meeting as well as in frequent visits with the chair to discuss agency budget requests. In Kansas, contact between chair and analyst occurs during subcommittee meetings is very frequent as analysts staff the subcommittees, but contact also occurs outside the subcommittee setting when chair and analyst discuss future meetings, agendas, and requests for information. In Arizona, less frequent contact was reported non-chair committee members. Contact between legislator and analyst is often dependent upon the

legislator requesting an independent briefing with analysts to discuss a specific agency's budget. No non-chair committee members were interviewed in Kansas.

Minority party members interviewed in Arizona reported less contact with analysts than members of the majority party. One minority member reported more contact with the minority analyst assigned to staff the appropriations committees than the legislative fiscal analyst. The appropriations committees in each chamber have both majority and minority analysts who are responsible for committee staffing. The legislative fiscal analysts are present during these meetings to either present their budget recommendations, to provide other fiscal information, or to respond to committee member questions regarding budget issues. At least for one minority legislator, more contact occurs with the minority staffer of this committee than with the legislative fiscal analyst responsible for providing the fiscal information. Minority legislators in other states did not report less contact with analysts compared with members of the majority party.

Finally, fiscal office protocol also determines frequency of contact. All Maine legislators reported more contact with the fiscal office director and principal analyst than the junior fiscal analysts. This was not the case for the legislators in the other three states where legislators reported more frequent contact with the legislative fiscal analyst rather than the fiscal office director. In Maine, fiscal office protocol dictates that the fiscal office director and the principal analyst are present in committee meetings on a daily basis to answer committee questions and present information on agency budget requests. Junior analysts in Maine are not present daily in the

committee, nor do they make presentations before the committee. Therefore, Maine analysts are less visible in the process than analysts from the other states under study.

The researcher also analyzed whether contact varied based upon individual analyst and specific policy area (Corrections, Education, or Medicaid). When reviewing analyst and legislators responses to the questions regarding contact, no pattern of contact based upon any particular analyst or specific policy area could be identified.

In summary, there are several common features regarding contact between the analysts and legislators from all four states. First, all analysts reported working primarily for members of the fiscal committees as opposed to legislators with no involvement in budgetary or fiscal matters. Second, contact is generally episodic, coinciding with the formal presentations by analysts regarding agency budget requests and budget recommendations in those states requiring analysts to perform this duty. Third, legislators more frequently contact legislative fiscal analysts when they have a specific question about an agency's budget as opposed to the fiscal officer director who is more likely to be contacted when a question is broader in nature. Despite these common features, contact varies from state to state based upon a variety of factors. First, committee structure and size is important. Larger committees with subcommittees require more interaction between analyst and chair. Here, staff direction is typically given through the chairs, not individual members. Analysts in legislatures with larger committees and subcommittees report primary contact with and working for committee and subcommittee chairs more frequently than individual members of the committees. Legislator comments also support this pattern. This

pattern is found in Arizona and Kansas, but is especially true in Kansas where the analysts are the only staff support for the subcommittees and must assist the subcommittee chair in organizing meetings. Second, majority/minority status can also impact contact at least in one of the four states under study. Majority party members report more frequent contact with analysts than minority party legislators. This pattern of contact is common to Arizona, but was not found in the other states under study. Finally, fiscal office protocol also determines analyst contact with legislators. In Maine, the fiscal staff director and principal analyst are seen as the primary staff in committee meetings where they make presentations before the committee rather than the legislative analysts. Although Maine analysts report working primarily with all members of the appropriations committee, they seem to be the least visible of the analysts in this study. They do not make formal presentations before the committee and have no opportunity to gain visibility in a smaller venue due to the lack of subcommittees. Maine legislators report coming into contact with the fiscal office director and principal analyst more than the junior analysts. Further, legislators in Maine were less able to identify analysts by name than the legislators in other states.

The Provision of Budgetary Information by Analysts

As explained in Chapter Three, legislative fiscal analysts perform a wide range of duties. In the course of performing these duties legislators receive a variety of information from the fiscal staff. This section explores legislator reliance on that information, the most useful kinds of information provided by the legislative fiscal

analysts, the amount of discretion and direction given analysts in providing information, and the role of information provision in building trust with legislators.

All legislative fiscal analysts were asked to select the extent that legislators rely on them for information from three categories: a great deal of reliance, some reliance, or little or no reliance. Nine of the 11 analysts reported that they believed legislators rely on them "a great deal" for information. One analyst reported that legislative fiscal analysts are the "eyes and ears" for the legislature by keeping legislators abreast of key issues. Other analysts responded that legislators rely on them a great deal due to the information advantage that they have over legislators. Unlike legislators, who have other commitments on their time, analysts have full time responsibility for understanding and gaining knowledge on a particular agency or policy area.

Although the majority of the analysts reported that legislators rely on them a great deal for information, some analysts cautioned that particular groups of legislators are less dependent than others. Two of the 11 analysts reported "some reliance" of legislators with regards to information. One analyst replied, "there are some legislators not on the appropriations committee who don't know where we are located." This further indicates that the rank and file members of the legislature receive little direct support from the fiscal staff. Another analyst stated that staff is only one source of information with state agencies, lobbyists, and the executive budget office as other important sources of information for legislators.

Partisanship may determine the reliance on information from analysts in one state. Although responding that legislators rely on them "a great deal" for

information, two analysts from Arizona commented that there is a perception among members of the minority party that staff is more "Republican than Democrat." Because of this perception, the minority party may be less likely to contact staff than the majority party if staff is seen as belonging to or supporting one party over the other. Previously, it was established that the minority party legislators in this state reported less frequent contact with the analysts than the majority party members interviewed. Analysts from the other three states did not make comments regarding different perceptions of information reliance among political party members.

Because the majority of analysts reported a great deal of reliance on information by legislators, identifying the types of information that are the most useful for legislators when they are making decisions about the budget is important in understanding how analysts assist legislators in the budget process. Both legislative fiscal analysts and legislators were questioned about the types and usefulness of information provided by analysts.

Legislative fiscal analysts were asked two questions regarding the types and usefulness of information. First, what kinds of information do you [analyst] most frequently provide during the budget process? Second, from the kinds of information that you [analyst] provide, what are the most useful for legislators? The comments from the analysts reveal that a wide variety of information is provided to legislators. Although most information requests concern agency budgets, some requests are programmatic in nature. The most frequent kind of information provided by analysts concerns the agency budget request. Analysts are responsible for summarizing the content of the agency budget request, providing historical fiscal trends, comparing

past expenditures and appropriations, as well as responding to various questions from legislators. Responses from the analysts included:

> I provide anything related to the budget. From presenting an analysis of the agency's budget request to more specific information based upon specific questions from legislators. We respond to adhoc questions from members, these questions can be both fiscal and programmatic, but mostly fiscal. For example, what did this agency spend in this line item last year? Why have the costs for this program increased over the past five years? Did the agency use all of its appropriation for this program last year? (Legislative Fiscal Analyst)

> I prepare the technical estimates on K-12 education. I give chairs background information on increased enrollment, what the local property tax rate is, how much is collected, what the agency requests in increased funding and why. I lay out what the agency is asking for, give them background information on the request. I do an individual calculation of the request, to see if my numbers differ from the department. I explain to chairs why our numbers differ. (Legislative Fiscal Analyst)

> We provide all kinds of information. Mostly fiscal, but we are asked questions and provide information relating to the management and operation of agencies and programs, the fiscal needs of agencies, we review the executive budget and the budget requests of each agency, we study the state's funding structure and financial condition and brief the members on this. We also get questions on personnel, purchasing, and reporting procedures of the state. (Legislative Fiscal Analyst)

> Information specifically about an agency's budget, trends in funding, specific information on something legislator wants to do, how it would impact agency. Mainly information about specific programs. The most useful is the budget write-up. It contains information about the agency request and budget, how it differs from previous years, major program changes, funding trends and changes. There is a lot of information there. (Legislative Fiscal Analyst)

> Fiscal analysts are the in-house experts on agency budgets. We get questions directly related to the agencies we are responsible for, anything from what are the major items in the agency request to how much did they spend last year to how a program operates. (Legislative Fiscal Analyst)

Legislative analysts were also asked to report the most useful kind of information provided to legislators. From the analyst perspective, the most useful of all information provided to legislators is that which is provided during the review and analysis of agency requests and the presentation of budget recommendations in those states where this duty occurs. All but one analyst reported that the analysis of agency requests and the presentation of budget recommendations is the most useful kind of information for legislators. One of the two analysts interviewed in Maine reported that fiscal notes are the most useful kind of information provided to legislators. The legislative fiscal analyst commented:

> We also do fiscal notes and this is important. We print them out on office letterhead and the members sometimes wave them around and say, 'and this is how much it is going to cost.' (Legislative Fiscal Analyst)

In all four states, written documents are prepared for members of the fiscal committees regarding the review of agency budget requests, executive recommendations, and budget recommendations. Analysts in three states, Arizona, Colorado, and Kansas are further responsible for presenting their analysis of agency requests and analysts in Arizona and Colorado also develop budget recommendations. In discussing the most useful information provided to legislators, the following responses reveal the importance of the summaries of agency requests, executive recommendations, and the provision of budget recommendations.

> The budget information provided during presentation of recommendations is the most useful. I do a lot of comparison charts, between my numbers and the OSPB [Office of Strategic Planning and Budget] numbers, or my numbers and agency numbers. When I estimate the cost of the foundation formula, I provide my assumptions and then compare that with the OSPB and agency. (Legislative Fiscal Analyst)
>
> When we make our presentations on the budget. When we brief the members of the committee. When I am finished with my presentation, it is a question and answer session by the committee members. It helps them to get a perspective on the agency, what are they doing now, what have they done in the past. (Legislative Fiscal Analyst)
>
> The two most helpful things are the documents in fall and spring. In the fall, the briefing [analysis of agency requests] provides them with the issues and questions to ask the agencies when they come in for the hearings. The document in the spring is the figure setting [budget recommendations] document. It contains the bulk of the recommendations here, the basis for the budget. (Legislative Fiscal Analyst)
>
> The budget write-up, [analysis of agency requests] they [members] carry it around, they make notes on it. It is the thing they start with. We know they use it. They make reference to it. If we raise an issue in it, then they almost always bring it up. It sets the agenda for their debates. (Legislative Fiscal Analyst)
>
> The most useful is the initial analysis of agency requests and executive recommendation and then we respond to additional requests for information based upon our presentation. We make the initial analysis to the subcommittee, the legislators don't look at the executive budget itself, it is too lengthy. So our analysis is the main document that they use to make decisions. (Legislative Fiscal Analyst)

For the most part, the legislative analysts in this study believe that the analysis of agency requests and development of budget recommendations are the most useful types of information provided to legislators. Furthermore, the importance given to these two tasks coincides with the primary duties cited by the legislative analysts in Chapter Three. In that chapter, it was revealed that the primary duty of analysts in all states was the analysis of agency requests. In addition to the analysis of agency

requests, analysts in Arizona and Colorado cited as a primary duty the provision of budget recommendations and these analysts also report this activity as information that they deem useful for legislators. In Chapter Three, the Maine analysts reported that the fiscal note process is an important secondary duty and both Maine analysts concluded that the fiscal note is also an important and useful kind of information that they provide to the legislature.

Due to the importance of the analysis of agency requests and budget recommendations, a more thorough examination of the content of those analyses is warranted. Again, analysts in all four states under study provide some type of written analysis to legislators regarding agency budget requests and executive recommendations. Documents from two states are reviewed here to better understand the kinds of information collected and disseminated.

In Arizona, each member of the Appropriations Committee in each chamber receives a copy of the *Proposed Budget Book*. This book contains a detailed analysis and summary of the budget request of each state agency, budget estimates, an explanation of the budget changes from the previous year, and various performance measures. A budget table provides prior year actual expenditures and current year appropriations. The *Proposed Budget Book* also contains separate budget recommendations by the Office of Strategic Planning and Budget staff and the legislative fiscal analysts. Accompanying the recommendations of the fiscal analysts are the justifications and assumptions used for arriving at the specific recommendations. Likewise, Colorado analysts provide similar information in the "briefing documents" that accompany the formal analyst presentations on the

executive budget proposal. The briefing documents can be quite lengthy, up to several hundred pages in the case of the analysis of the Medicaid program. The presentations and briefing documents cover such topics as an overview of the particular department, key responsibilities, factors driving the budget, and major funding changes for the last two fiscal years. The briefing document also contains an analysis of the priority requests of the department, figures comparing actual expenditures with current year appropriations and the upcoming fiscal year budget request. Finally, the briefing documents contain a section on key department issues. For example, the briefing document for the Colorado Department of Corrections discussed the impact of population projections on future bed needs and the status of facilities under construction in terms of completion date and cost. Although the analysis of agency requests and preparation of budget recommendations occurs at the same time in Arizona, the two duties are separate in Colorado. After the presentation of the briefing documents, analysts have a few months to prepare the budget recommendations during the "figure setting" process as it is referred to in Colorado. The figure setting documents [budget recommendations] include a brief overview of the request, staff recommendations and the justification for that recommendation. See Appendix C for examples of analyses of agency requests and budget recommendations from Arizona and Colorado.

It is clear that the majority of legislative analysts perceived the analysis of agency requests and the provision of budget recommendations as the most useful information provided to legislators. What is the perception of legislators in this study? Legislators were also questioned on the most useful kinds of information

provided by the legislative fiscal analysts. From the legislative perspective, the most useful information provided by analysts is that which provides a broad picture and historical analysis of agency expenditures and programs, key issues confronting the agency, and explanation of past decisions. This kind of information is routinely provided by the analysts in their analyses of agency budget requests. Comments made by the legislators reveal the importance of an analyst who can provide an historical perspective and a broad understanding of agency programs and services:

> He [LFA] reviews what is being asked for by the Education Department. provides us with the big picture. (Legislator)
>
> I often want to know a thorough analysis of a program, why it is there, what it does, how it functions, what are its resources, what good does it do, how long has it been established. (Legislator)
>
> The relationship between how one piece of the budget/agency effects other agencies, the history of agency programs. I want to know how did we get here, history of decisions, how and why was this decision made? (Legislator)
>
> When we have new decision items, they [LFAs] give us some idea of how that fits with the overall direction of the department and they [LFAs] are very helpful with getting a great deal of detail, number crunching. They [LFAs] provide a great deal of information on the number of people in departments, how that compares with other departments and other years, etc. (Legislator)
>
> From a starting standpoint, the analyst provides an overview of the Governor's budget proposal, this baseline is crucial. I must have an analyst who gives me an understanding of this baseline. (Legislator)
>
> They provide a lot of useful information. They get information on the specifics of an agency's budget. They help us to understand the specific budget items being requested. For example, why did a particular department's budget increase last year, what drove the increase? (Legislator)

These comments show the importance of staff as individuals who are valued for their capacity to understand the key issues and problems associated with an agency or program and ability to explain items in a budget request or executive recommendation. Legislators also reported that information pointing out certain items in the budget request and/or developing different options to pursue are also important informational items provided by the legislative analysts. These legislators responded:

> He looks at funding in the past, future costs and things we should be aware of in the agency budget request. (Legislator)
>
> The analyst can point out unusual items in the agency request. This kind of information is prepared in a written document as soon as the executive gets his recommendations out. (Legislator)
>
> He tells us things that we should be aware of in the agency budget request. (Legislator)
>
> They tell us whether removing funding would damage education seriously and how. They tell us what programs should not be touched. What are the consequences of cutting K-12 programs? (Legislator)
>
> They give us innovative ways to do things differently such as how to maximize general revenue and federal dollars, this is especially important in the Medicaid program where we rely on substantial federal funding. (Legislator)

In addition to providing general information about an agency's budget request, two of the four legislators interviewed from Maine specifically cited the importance of fiscal notes. Fiscal notes are prepared by legislative analysts in Maine in an effort to identify the cost of proposed legislation for the upcoming biennium. Maine legislators commented:

> They also do fiscal notes. This is the second major function of the staff. This is very important to the legislature. Rules say we [legislature] must have fiscal notes on all bills. There are about 300 pieces of legislation that they [analysts] look over to find out if there is a cost. This is a substantial part of what they [analysts] do during the session. (Legislator)
>
> Fiscal notes are very important. We [committee] look at these notes to know all of the costs of a bill. Really important, maybe more so than anything else that they [analysts] do. (Legislator)

These comments support the responses from the Maine legislative fiscal analysts in their assessment of fiscal notes as an important secondary duty and as useful information for legislators.

In summary, these comments show that the legislative analysts are responsible for providing the basic information upon which legislative decisions are made. Further, due to their knowledge of an agency, they set the parameters for debate by calling to the attention of legislators specific issues relating to the budget request, identifying areas of need or concern, and estimating the costs of proposed legislation. Because analysts provide this basic information to legislators and are perceived to rely upon analysts a great deal for information, it is necessary to explore how much discretion analysts have in performing this task.

Level of Direction and Discretion Given Analysts

In an effort to more fully explore how analysts provide information, both analysts and legislators were asked a series of questions involving the types of direction given to analysts by legislators and the perceived degree of discretion in providing that information. These questions were designed to investigate whether

the degree of direction and discretion conditions the influence of legislative fiscal analysts to be evaluated in Chapter Five.

Legislative fiscal analysts were asked if they are given direction by legislators when providing information and/or making recommendations. Of the 11 legislative fiscal analysts interviewed, all analysts responded that they are given direction from legislators on the kinds of information to provide and, if applicable, on how to develop budget recommendations. Comments from analysts included:

> We are given direction by the members when they want us to provide different ways of doing things. I may be asked to prepare four options and then the legislature picks the one they like. I would not provide options on my own without being asked first. (Legislative Fiscal Analyst)
>
> Legislators provide both general and specific direction. If they ask a specific question, we provide the answer. If they want basic information about an agency, we do the research. They make requests and we provide the information. (Legislative Fiscal Analyst)
>
> Direction is apt to range from the very specific such as eliminate this tax and/or increase funding to this program, to more general instruction such as do something to increase support for retired teachers. (Legislative Fiscal Analyst)

These comments indicate that analysts provide information in response to legislator requests. Analyst comments suggest that direction is defined as responding to requests for information, answering specific questions, preparing policy options on behalf of legislators, and visiting with members to get their views on agency budgets or committee agendas. As stated previously, all analysts reported receiving direction from legislators. However, comments from all three analysts in Colorado suggest less direction than analysts in the other three states. All three Colorado analysts reported that the development of budget recommendations is conditioned somewhat by

"common policy" set by the Colorado Joint Budget Committee (JBC), regarding uniform increases or decreases in operating costs, health care costs, and travel expenses as examples. However, comments from all three analysts seem to indicate that they are fairly free to provide information and develop their own recommendations independent of any formal direction from the members of the JBC. Comments from these analysts included:

> A very small amount of direction. There may be general or informal direction that comes down from the JBC through the staff director to us. For example, JBC may inform us that they do not want to see any new positions for the department. Sometimes we ask, so should we not look at increasing staff at all? Then the JBC says, well, consider it but provide a justification. The JBC also sets common policy that we follow. This usually tells us that we can increase maintenance and operations by only 3%. (Legislative Fiscal Analyst)

> We have some direction from the JBC. We have common policy. Typically this is a common set of numbers for calculating things such as funding for salary increases. The analyst can recommend changes to this, but we must provide a justification for not following common policy. Other than that, we are not given any other guidelines for providing information or making recommendations. (Legislative Fiscal Analyst)

> Some direction comes from the common policies. These are policies that are set by the JBC. We do typically stay within common policy. This is a set of policies regarding travel, medical expenses, etc. based upon an inflationary factor. For example, travel is to be reduced by 2.6%. We typically follow this, but we are free to make recommendations that are different than the common policy, but we have to provide a justification for it. The JBC members do not come into our offices and tell us what to do, or how to make recommendations, they do not influence our recommendations. (Legislative Fiscal Analyst)

The Colorado analysts perceive less direction on the part of legislators than analysts from the other states under study. Other than coming under the mandates of "common policy" set by the Colorado Joint Budget Committee, Colorado fiscal

analysts report little direction from committee members. When asked to provide some indication as to how many recommendations made are governed by common policy, one Colorado analyst reported that the common policy represents about "1.5 percent of the recommendations" that she make concerning her agency.

This seems to be in stark contrast to the analysts from Arizona who reported getting direction from the chairs of the appropriations committees when preparing the budget recommendations. Comments from these analysts included:

> The chairs give us a general overview and instructions such as we [chairs] don't want to give them [agency] the full amount for that request, so give us some numbers, different options or suggestions. We do, and then they make a decision. (Legislative Fiscal Analyst)

> We work closely with the chairs. They let us know what they want. There will be times that they want certain things in the budget and we accommodate them. You have to be aware of what leadership wants. If for instance, they want a $100 million tax cut, we would be aware of that and make our budget recommendations accordingly. (Legislative Fiscal Analyst)

> We are given direction by the chairs. During the initial meeting of the subcommittee, we work closely with the chair of the subcommittee. I inquire about what to focus on and who should be there. If the chair says that he is not interested in a particular item, then, I don't put in on the agenda. (Legislative Fiscal Analyst)

Another way of assessing the ability of analysts to work independently in providing information to members is to measure the amount of discretion that they perceive. Analysts were asked to report how much discretion they have in providing information or making recommendations to legislators from three categories: a great deal of discretion, some discretion, or no discretion. All of the analysts interviewed in this study reported that they have a great deal of discretion in providing information. As stated earlier, comments from the analysts suggest that direction

means responding to a specific question, request for information, or visiting with the committee chair. Discretion, however, means having some control over answering the question, providing the requested information, or providing legislators with information that an analyst deems to be useful. In other words, analysts are directed to answer specific questions, but there is discretion in how they choose to answer it. Analyst comments on the level of discretion included:

> We have a lot of discretion in what they see, in putting together the initial budget proposals [budget recommendations]. (Legislative Fiscal Analyst)

> A great deal of discretion. We can tell them what we want. We have complete access to legislators. They are tolerant of input whether they listen is another thing. There are relationships that you develop with members, some I feel more comfortable with than others and I approach these members more. I am the education specialist, and for those members with an interest in education, I provide information to them and discuss education programs with them. There are no barriers to providing information. (Legislative Fiscal Analyst)

> A great deal of discretion. We know what is going on with our agencies. We have a tremendous amount of responsibility. They rely on us for memory. Analysts act as memories for the members. You learn what is essential information to provide and what is not due to your expertise and relationship with certain members. I know the interests of certain members and I keep them informed of things that I know they are interested in. (Legislative Fiscal Analyst)

> We have a great deal of discretion in presenting information about agency budget requests. I do whatever I can to provide them a baseline, give them a sense of perspective about the agency and agency programs, and let them know what the key issues are. (Legislative Fiscal Analyst)

> We have discretion to look into whatever we want to with regard to our agencies. We don't assume a knowledge base with members, especially with term limits. It is up to us to provide them [legislators] with the basic concepts and descriptions of programs. We are the experts and we let them know what is going on. (Legislative Fiscal Analyst)

In providing basic information about agencies and in developing the analysis of agency requests, the analysts report a great deal of discretion. These comments seem to indicate that analysts are information condensers where they parse out agency information and hone in on key issues of interest to legislators. These comments show that as facilitators, some analysts do take it upon themselves to inform members about agency activities.

In an effort to validate the responses of the fiscal analysts, legislators were asked if they give specific direction to the legislative fiscal analyst in terms of the information provided by the analyst. All 13 legislators responded that they give direction to legislative fiscal analysts. Most of the direction occurs by asking specific questions of analysts, requesting information in specific or uniform format, and providing parameters either verbally during a committee meeting or in written form on how analysts are to provide information or make certain kinds of budget recommendations. Common responses from legislators included:

> When we [appropriations committee] ask questions of staff, we are very specific about what we want from them. (Legislator)

> I ask specific things of the analyst. For example, one of my issues is pro-life. I would ask the analyst is there any money going to a program that would fund an abortion? The analyst would ferret that information out for me. And, if the analyst saw something or found something of interest to me in that area, she would point that out to me. (Legislator)

> I explain what I'd like to do in committee, what to discuss, who should be there to testify. I also tell the analyst to go look at the data and tell me if I am right or wrong. Sometimes I have a hunch about something but I need the analyst to verify it. (Legislator)

> We [appropriations committee] have designed a package of information that the analysts should use to prepare information for the committee regarding the review of agency budgets, although over the last five years, not much has changed in this package. This year we asked that analysts provide more comparative information such as comparing this year's budget to prior year and adding more graphs – more visual information. (Legislator)
>
> Some information is traditional in terms of format, such as the budget summaries where analysts follow a uniform format. This is a written document that they [analysts] provide to us on the agency requests and executive recommendations. At other times, the committee asks for specific kinds of information. For example, we are looking at reimbursement rates for Medicaid providers. We may ask the analyst to provide us with a list of reimbursement rates for Medicaid providers and history of those rates. (Legislator)
>
> I, as an older member, tell them [analysts] what I want. But new members don't do this as well. When I first got to the legislature, a senior member said to use the staff often, but be clear about what you want. New members have difficulty with this, because they don't know enough to ask the right questions. Staff are also reluctant to release information to the appropriation committee members, without first getting authorization from the chairs, this is frustrating sometimes. (Legislator)

These comments from the legislators in this study support the responses of the legislative fiscal analysts, where both analysts and legislators define direction in a similar fashion. Legislators can be very precise in what they ask of analysts in terms of posing specific questions, asking for information, and providing some uniform policy or written direction on how to present information to the committee.

Two legislators from Maine reported that analysts would not bring them information that was not requested. These legislators replied:

> Staff never approach me with information that I have not requested. (Legislator)
>
> They [analysts] only respond to direct questions, they would not just come to us or me and give me information. (Legislator)

Although several legislative fiscal analysts commented that they do take it upon themselves to inform legislators of an issue not specifically requested, none of these analysts were from Maine.

Further, all of the legislators interviewed in states where analysts make budget recommendations report providing analysts with their views and opinions regarding the agency budget requests and the recommendations to be developed by the analyst. Legislator responses from Arizona and Colorado are as follows:

> When I meet with [LFA] early on before he prepares his recommendations, I tell him what I am concerned about, or what I would like to see in the way of increases or decreases, program changes, etc. in the Corrections budget. (Legislator)
>
> In terms of the budget recommendation, the appropriations committee and subcommittee chairs ask the analyst to come up with areas for potential cuts, areas that could handle cutbacks, look at programs started within the last two years, and see how much we could eliminate. They give us options, can you come up with 5 ways to cut this program back? (Legislator)
>
> When I meet individually with the analyst about a certain agency's budget, I am very vocal. I tell the analyst what I am concerned about, what I would like to see in this budget when they make their recommendations. (Legislator)
>
> The committee has a set of common policy on things such as increases in positions, travel, salaries. This guides the analysts in preparing their recommendations to us. (Legislator)

Although all eleven analysts responded that they have a great deal of discretion in providing information, only three of 13 (23%) legislators reported that the analyst has a great deal of discretion. Comments from legislators reporting a great deal of discretion included:

> A great deal of discretion in providing budget recommendations and information to us. While we [committee] have "common policy" that guides the analysts in calculating personal services, maintenance and operation, and travel, the analysts can go outside of this policy if they provide a justification. Also, for those agencies with less than 20 people, we let the analyst look at these agencies and make recommendations on how much if any to cut in personal services. (Legislator)
>
> A great deal of discretion. We are part time legislators and depend upon them for information. (Legislator)

No legislator reported that analysts had little or no discretion in providing information or budget recommendations. However, the majority of legislators reported that analysts have some discretion, but within certain boundaries. The majority of legislators (ten of 13) reported that analysts have some discretion in providing information or making budget recommendations. From the legislator perspective, the nonpartisan nature of fiscal staff precludes analysts from interjecting their own views. Four of the 10 legislators reporting that analysts have some discretion specifically commented on the responsibility of staff to provide objective information to all members of the legislature, regardless of political party. These comments indicate that analysts have some discretion in providing information, but it must be done in a nonpartisan fashion:

> They have some discretion, but staff is nonpartisan. They do try to make sure that we have both sides of the argument. (Legislator)
>
> Analyst has a lot of flexibility within the rules but they must provide objective information and respect anonymity. For example, the information provided to members is confidential unless a member says otherwise. They have some discretion, but have to have professional ethics. (Legislator)

> Yes they do have discretion, but LFAs are required to be nonpartisan, not give their own opinions. Although they are requested to provide policy options, or options to be considered, they are expected to provide unbiased information to the members. For example, should we fold at risk education aid into the basic education aid or keep it separate? What would be the pros and cons of doing this? (Legislator)

> They [LFAs] have discretion within the boundaries of the questions that we ask. They must respond to both sides of the aisle, to both parties. Again, the committee asks specific questions of staff and they provide us with the answers or information. (Legislator)

Despite these comments on the importance of objectivity when providing information, two members of the minority party in one state perceived staff to be influenced by the majority party. Two of the four legislators interviewed in this state believe that the majority party and committee chairs direct the analysts in the provision of information. For members of the minority party in this study, this is not viewed positively. No other members of the minority party interviewed in other states responded that analysts take too much direction from the majority party. The minority members perceiving some influence by the majority party responded as follows:

> They [LFAs] do have some discretion in providing information and making recommendations, but they are too under the control of the appropriation chair, they may be limited in what they recommend depending upon the chair, they may be inhibited in providing options because of this. (Legislator)

> Staff is nonpartisan, but now I think that there was some influence by the majority party to have a certain outcome during last session. The minority party has to be more vocal to counter this. (Legislator)

In summary, legislative analysts provide a variety of information to legislators. The majority of analysts reported that their review of agency budget

requests and executive recommendations is the most useful type of information disseminated to legislators with the Maine analysts also citing the importance of fiscal note preparation. The importance placed upon agency budget request analysis supports the view of the analysts that their primary duty is the review and analysis of agency budget requests and executive recommendations. From the legislative perspective, the most useful type of information supplied by analysts is that which provides the context and history of agency programs, past expenditures, future trends, and pressing issues for a particular agency. While analysts provide this type of information throughout the budget process, it is within the analyst summaries of agency budget requests that this kind of information is disseminated to the legislators in written form, formal presentations, or both. The review of the analysis of agency budget requests in Arizona and Colorado showed the kind of information provided to legislators.

In providing this information, analysts and legislators perceived a similar degree of direction from the legislators. Direction for both budget actors is defined as legislators asking specific questions, asking for the development of policy options, giving their views on an agency's budget request, setting some uniform format for the analysis of agency requests, and setting some policy regarding salaries and travel to be used in the development of budget recommendations.

However, some differences arise among the perceptions of the legislative analysts with respect to direction. All three Colorado analysts reported little or no direction given to them by legislators when they provide information or make budget recommendations. This was not the case for analysts in the remaining states, as all

analysts in Arizona, Kansas, and Maine reported that they do receive direction from legislators. Analysts report a great deal of discretion in their ability to provide information and make budget recommendations, although legislators are less likely to report analysts have a "great deal" of discretion. The majority of legislators reported that the analyst has "some" discretion in providing information to them where the analyst is expected to provide information in a nonpartisan, objective, and confidential fashion.

From this discussion on information provision, analysts provide the foundation for budget decisions by supplying the basic knowledge about the budget and identifying key issues for legislators. They do this task in an environment of basic direction from legislators, but also with a fair amount of discretion. Some direction is very specific and other direction allows the analyst to exercise discretion in informing legislators.

Information Provision and Legislator Trust

While information provision is a primary duty of legislative analysts, it is important in other aspects pertaining to the relationship that analysts have with legislators. One dimension of information provision is its link to legislator trust. In the course of establishing whether analysts believed legislators had trust in them, the link to information provision was revealed. Analysts were asked whether they believed legislators trusted them and if so, why? All eleven analysts reported that legislators had "a great deal" of trust in them. Nine of 11 (75%) analysts reporting a "great deal" of legislator trust referred to their ability to provide honest, accurate,

timely, and reliable information as reasons for trust. Analyst responses on why they are trusted a great deal included:

> Presenting the best information, honestly assessing the situation, how solid is the information that I have? Always try to do the best research, be honest in discussions, and tell them whether it is hard-cold data or "guesstimates." [I tell legislators] this is what I know for sure or what I think will happen. Giving them the best that I can – tell them that I can do more if they need. We are there to assist them. They rely on us. Open-honest communication. (Legislative Fiscal Analyst)
>
> For me, I try to be responsive, when someone asks me about something, I am very forthcoming with information. I am honest about what I do. I clearly state my assumptions when I make recommendations in my documents. (Legislative Fiscal Analyst)
>
> By providing members with nonpartisan, logical, analytical look at what is happening in a department. (Legislative Fiscal Analyst)
>
> We earn trust, and I think we are trusted. It is the reliability of information. If you make a mistake, find it, and fix it. Quick responses and make sure you get back with them. I have been here a long time, giving them perspective and background, they trust me. I hear members say, 'she sure knows a lot.' (Legislative Fiscal Analyst)
>
> By providing accurate and timely information in a confidential manner. (Legislative Fiscal Analyst)
>
> When I provide them information, I tell them both sides of the story. This builds trust. If they hear only one side from me then they are not likely to listen to me again. They want you to be honest. (Legislative Fiscal Analyst)
>
> Don't lie. Tell them [legislators] that you don't know the answer and then tell them that you will find out. Keep them informed. They hate to be blindsided. (Legislative Fiscal Analyst)

Three analysts commented that they are trusted because they respect the need for confidentiality and because of their tenure and expertise. One legislative analyst replied, "It is the sensitivity of information. I never identify the member to the public or agency. I keep the legislator's name secret unless they specifically say otherwise."

In summary, all analysts reported being trusted by legislators. For many of the analysts, the provision of honest, accurate, and timely information to members of all political parties is one reason for their perception of trust on behalf of legislators. Therefore, information provision is an important component of trust. In this study, legislators were not asked whether they trust analysts and why or why not. Future studies regarding legislative analysts should ask legislators questions about trusting the analyst as a means of validating analyst responses.

Legislator Requests for Advice

Up to this point, this chapter has concentrated on the interaction between analyst and legislator particularly regarding the provision of information. From this discussion, it is clear that analysts are important in providing information that becomes the foundation for the decisions made by legislators. However, another way to assess the analyst/legislator relationship and the possible influence that analysts have on legislative decisions is whether legislators ask analysts for advice. This question is important to address the issue of whether legislative analysts, as non-elected individuals, have too much power over the decisions of the elected officials.

Analysts were asked if legislators ask them for advice. Eight of 11 analysts responded affirmatively, that legislators do ask for advice, while three analysts said no. Further, no analyst reported that they actually give advice to legislators. In fact, most analysts reported that giving advice was not part of their role with the legislature as nonpartisan staff. Analyst comments included:

> Some legislators ask for advice, but we don't like that. Sometimes, individually, they will ask us for advice. We have to say, it is a policy decision. I can't tell you what to do. (Legislative Fiscal Analyst)
>
> Yes, it is fairly routine for members to ask us for advice. But it is not our role to advocate policy. I try to give them various options, the pros and cons and let them make the decisions. (Legislative Fiscal Analyst)
>
> Yes, but it depends on how someone defines advice. If they ask for funding suggestions, such as are you aware of how I could fund this program? What are some revenues that I could use? Then, we do this all the time. However, if they ask us should we vote for a particular bill, then no, we would not do this. We aren't policy staff. (Legislative Fiscal Analyst)
>
> They may ask for information on what a department is doing and why they are doing it, but they never ask us how to vote. (Legislative Fiscal Analyst)
>
> Yes, some do [ask for advice]. But I try to side-step this by saying let me give you a list of options, but you don't have to do anything. I try hard not to say, you have to do this. (Legislative Fiscal Analyst)
>
> Occasionally they do. We have to become skilled at responding without giving them policy direction. We pitch it in an historical context, this has been done before and this is what happened. Here are things that could happen if you do that, other options you can consider. If a new member asks for advice, then I say, well that's a policy question and I can't tell you. I try to give pros and cons, advantages and disadvantages. We can tell them impacts, but do not appear to tip it, appear objective and balanced. You have to work at that. (Legislative Fiscal Analyst)
>
> Yes, but it is rare. Rarely do we get "what should I do." If they do, I say that I can come up with 3 possible scenarios and gives downsides and upsides to each. I give them a range and they can pick from them. (Legislative Fiscal Analyst)

One of the analysts responding that legislators do not ask her for advice commented:

> They may ask my boss, but at my level, I don't give advice. Because we are nonpartisan, we present the data, the facts and its up to them to take it from there. They would not ask us to tell them whether an agency request is legitimate, but would trust us to bring up something that we thought might be a problem. (Legislative Fiscal Analyst)

During the interview, analysts were quick to point out that they do not give advice, although occasionally they may be asked for advice. When analysts are asked for advice, they steer the conversation to options and alternatives or advantages and disadvantages of supporting one policy over another. This type of role is consistent with the primary duty reported by legislative fiscal analysts: one of facilitating objective information to legislators.

Legislators were also queried about whether they ask the legislative fiscal analyst for advice. No legislator responded that they ask analysts for advice on how to vote or for their particular view on an issue or policy. Instead, there were several legislators (six of 13) who responded affirmatively to asking analysts for advice, but upon review of their responses, these legislators were simply asking analysts to provide information or policy options. Therefore, for those legislators who reported that they ask analysts for advice, the type of "advice" requested is within the scope of the analyst's duty as information provider. These legislator comments included:

> Yes, I may ask for a special study, where I ask LFA to pursue a particular option, I may ask for numbers on a particular program to see if that is what I want to do. (Legislator)

> Yes, absolutely, we place a lot of confidence in the analysts. I would ask, in your opinion, is this program running smoothly? They would point out any trouble spots. What are the implications for cutting a program or service? What is the number of illegal aliens funded and how many US citizens are not receiving services because of this? What would happen if we terminated a program? (Legislator)

> Yes, but I don't know if you would call it advice. If we or our colleagues ask for information, for a constituent request, we go to staff and tell them to check into this request, and get back to us. (Legislator)

> Yes, I may ask things, but not in committee meetings. I may ask, "what is your personal opinion of this agency request?" But they often don't want to tell me that. More often its, are there two ways to do this? Analyst often gives options/alternatives. The giving of options is only upon request by me, only if I ask. (Legislator)
>
> Yes, we do so in committee settings. If a committee member wanted to fund a particular educational program, he would go to the analyst and ask the analyst to work out where they could find the funding for this program, then he would bring this information back to the full committee for consideration. (Legislator)

However, five legislators responded that they did not ask legislative fiscal analysts for advice, but provided examples of other legislators asking for advice. Comments from these legislators included:

> I do not ask for advice, but when analysts are at our caucus meetings, there will be members who try to get them to tell their opinion about whether an agency has enough money. But analysts are not at the meetings to give opinions, just to answer questions. As leader of my caucus, I have had to admonish people who ask staff for advice. Now, they may go ask staff something after the meeting, but during the caucus, I tell them not to ask those kinds of questions. Analysts absolutely do a dance around those types of questions. They are objective in providing information. They provide both sides and let us decide from there. (Legislator)
>
> They [LFAs] try and make sure we have both sides. We have a couple of members who ask for recommendations and direction that are illegal or unconstitutional, staff is good at pointing out the legal issues. Staff is nonpartisan. They point out both sides of the issue. (Legislator)
>
> No. But, there are members who do because they don't understand the analyst role. Analysts typically shift question to "Here are the options you might consider." They are rather adept at doing this. (Legislator)
>
> No. They [LFAs] are scrupulous to not play a policy role. No role in policy making. That is our job. (Legislator)

> No, not me, but some members do ask questions of analysts that make them uncomfortable. For example, the agency wanted to transfer money from one program to another. A member asked the analyst if this was something that we should do. The analyst was being careful not to interject his own opinion in his answer, but to give us an analysis of what the ramifications might be of such a shift. Often times, they [LFAs] are asked, can we do this? If it is a legal issue, they always tell us whether we can or cannot do it. That is their job. But, when discussing whether an agency needs additional funds, that is a policy matter that analysts leave up to us. They would try to tell us the implications of more money, but that's it. (Legislator)

In summary, both analysts and legislators reported that analysts are occasionally asked for advice. Some of this advice falls within the normal duties of analysts as information providers. Most legislators referred to advice as asking analysts to provide policy options or asking them for general information. However, some legislators responded that they do not ask analysts for advice but have observed other legislators asking analysts for their opinion. Under these circumstances, as reported by both analysts and legislators, the analysts move the question away from advice to one of stating options and alternatives, with the decision to be left up to the legislators. As far as asking analysts for the most obvious type of advice, the voting decision, no analyst or legislator responded that this occurs. The comments from both analysts and legislators suggest that analysts are keeping within their boundaries as nonpartisan staff by providing objective information when asked by legislators and not interjecting their own policy preferences.

LFA Role in the Budget Process: The Legislator's Perspective

Chapter Three explored the general duties and activities of the legislative fiscal analysts from the perspective of the analysts. This allowed the interviewer to

develop broad categories of duties performed by the legislative fiscal analysts in this study: clerical and monitoring duties; facilitating the exchange of information and analyzing agency information for key issues and problems; and initiating policy by providing policy alternatives and developing budget recommendations. These broad categories of duties can now be linked to various roles that legislative analysts assume during the budget process. By comparing the primary duties reported by the analysts with the legislator perception of the roles analysts play in the budget process, one can validate the responses of the analysts regarding their primary duties performed. During the interview process, legislators were asked to select the role that best fits the legislative fiscal analyst in the budget process from a list of roles provided by the interviewer. The roles used in this part of the study were adapted from a study of executive budget analysts (Thurmaier and Gosling 1997). In the Thurmaier and Gosling study, executive budget analysts were interviewed and asked to characterize their role with respect to their agencies in the budget process. Thurmaier and Gosling provided a list of roles for the executive budget analysts to choose from that included: agency advocate, adversary, facilitator, policy analyst, or other. Although Thurmaier and Gosling evaluated executive budget analysts, their study can be useful in studying the relationship between legislative fiscal analyst and state agency. Both types of analysts, legislative and executive, are responsible for understanding the agencies under their supervision, reviewing and evaluating agency requests, providing information to their respective bosses, and in some cases, developing budget recommendations. Therefore, the roles in the Thurmaier and Gosling study can provide a framework for capturing the relationship between

legislative fiscal analyst and the state agency. However, some parts of the Thurmaier and Gosling study were changed. First, the title of the policy analyst role was changed to policy initiator in the current study. The title change of policy analyst to policy initiator more appropriately reflects the descriptions of the duties performed by the analysts for the legislature and allows for comparison in role choice among the key budget actors in this study. Second, a clerical role is added to the current study to reflect that some legislative fiscal analysts play the role of clerical worker when they staff committees. Third, the current study expands the number of individuals interviewed by reporting the perceptions not only of legislative fiscal analysts but also the perceptions of agency directors, agency fiscal or budget officers, and agency legislative liaisons. In the Thurmaier and Gosling study, only executive budget analysts were interviewed concerning their role. Brief descriptions of the roles as defined in previous research (Thurmaier and Gosling 1997; Thurmaier and Willoughby 2001) are described below with the exception of the clerical role. The clerical role was defined based upon responses from the legislative analysts when asked to describe their duties for the legislature.

The **clerical role** refers to the various activities undertaken by the legislative analysts such as scheduling committee meetings, calling agency personnel to testify before the committee, handing out documents during meetings, recording committee action, drafting committee reports, and tracking bills and amendments. The **monitor role** reflects those activities associated with the tracking of agency expenditures, revenues, and caseloads. In this role, analysts prepare spreadsheets indicating changes in caseloads such as increases or decreases in number of children in public

schools, developing models projecting the number of Medicaid recipients and other healthcare trends and the number of individuals in state correctional facilities and the bed space needed to keep those individuals incarcerated. The **facilitator role** occurs as legislative fiscal analysts assist in the decision making of the legislators by collecting and disseminating information to members and objectively analyzing information from state agencies and other sources. For example, an analyst is engaging in the facilitator role when she studies, scrutinizes, and evaluates agency budget requests and/or executive budget recommendations, develops fiscal notes, and evaluates agency programs and services. In this role, analysts not only gather information for legislators from other sources such as state agencies, the executive budget office, other legislative staff, or some outside organization, but take that information and go beyond merely summarizing and disseminating it to legislators. As discussed in Chapter Three, when analyzing agency requests and executive recommendations, analysts point out major departmental issues that members should be aware of such as potential problems with programs, the impact of possible federal regulations or legislation, and trends in expenditures and funding. Facilitation also involves fiscal note preparation as analysts determine the fiscal impact of a particular bill on agency programs or the fiscal impact of legislation on local communities. The end result of the review and analysis of agency requests, executive recommendations, and/or fiscal notes is the dissemination of that analysis to the legislature through formal presentations, meetings with individual legislators, and/or through written documents. In the **policy initiator role,** the analyst goes beyond scrutinizing and evaluating agency budget requests, programs, and the fiscal impact

of proposed legislation. The analyst taking on the policy initiator role also provides policy options or alternatives to legislators and/or makes budget recommendations. In this role, analysts initiate policy themselves by providing legislators with different policy options that may include providing several funding sources for a new program and/or fleshing out different means of operating a program or delivering a service. This role also consists of developing budget recommendations where the analyst recommends new agency programs or positions, changes in existing programs or positions, and additions or reductions in funding. The initiation of policy options and budget recommendations by the analyst is the defining aspect of this role. Earlier in this chapter, it was discussed that analysts often provide policy options to legislators when asked by a legislator or committee. In the policy initiation role, analysts are initiating policy on their own by bringing options and budget recommendations to the attention of the legislature.

During the interview process, the interviewer briefly described each role and asked legislators to select the most appropriate role of the legislative fiscal analyst in the budget process. Ten of the 13 (77%) legislators interviewed selected more than one role as appropriate for legislative analysts. As Table 4.1 indicates, when legislators were asked to select the role of the legislative fiscal analyst in the budget process, the most frequent answer was the facilitator role (12 of 24 responses). While two of the 13 legislators reported that the role legislative fiscal analysts play in the budget process is solely one of facilitating, ten legislators reported that the role legislative fiscal analysts play included facilitating plus one or more of the other

roles. Facilitating was the most frequent role response for legislators in all states except Colorado, where the policy initiator role was selected as the most appropriate.

Table 4.1
Legislator Perception of LFA Role in the Budget Process

Role	Arizona N=4	Colorado N=1	Kansas N=4	Maine N=4	Total Role Responses & Percentage N=13
Clerical			4 (100%)		4 (31%)
Monitor	3 (75%)			3 (75%)	6 (46%)
Facilitator	4 (100%)		4 (100%)	4 (100%)	12 (92%)
Policy Initiator	1 (25%)	1 (100%)			2 (15%)

Note: All percentages have been rounded up.

A state-by-state review of analyst roles more clearly underscores the similarities and differences among the states. Legislators in Arizona selected the facilitator role more often than the other roles with all four of the legislators selecting the facilitator role. However, monitoring agency expenditures and caseloads also surfaced as an important role for analysts. Comments from Arizona legislators included:

> The LFA is a facilitator. He provides us with information on the budget. This LFA reviews what is being asked for by the Education Department. He looks at funding in the past, future costs, things we should be aware of. But it is up to us to decide what to do in the future. (Legislator)

> They are the monitor and facilitator roles. The [committee] analysts do a lot of oversight and monitoring for us. For example, the [LFA] monitors teacher salaries in every district and the amount of money spent on construction and repairs of schools. But they are facilitators too. They provide us general information on agency budget requests, they tell us what we can do under the law, and they keep us informed about the things we are interested in. (Legislator)

> He is the control and facilitator role, but mainly the facilitator role. They provide us with detailed analysis of the agency requests and executive recommendations, revenue forecasts, and they answer any questions we may have regarding a request, a program, or anything else relating to the agency they have responsibility for. (Legislator)
>
> They are facilitators, monitors, and policy initiators, primarily a facilitator though. I believe that because we have a part time legislature that we have to rely on staff. Term limits has also had a tremendous effect on staff. Because of these things, staff are facilitators. When I schedule my meeting with staff on the budget, I ask them to explain the budget request to me, they provide me with the basic information on the request. At times, they can initiate a policy change by providing different options to me, but only after I tell them what my concerns are, and then they explain different ways to do things, legally and technically. (Legislator)

These comments indicate that Arizona legislators perceived primarily a facilitating role and secondarily a monitoring role for the legislative fiscal analysts. One legislator reported that the analyst was primarily a facilitator and monitor, but at times performed the policy initiator role. This legislator explained that the analyst performed a policy initiator role due to the part time nature of the Arizona legislature and the effect of term limits where the legislator had to rely on the analyst's budget recommendations.

As Chapter Three pointed out, the primary duties cited by the legislative fiscal analysts in Arizona were the analysis of agency budget requests, one activity within the facilitator role, and the development of budget recommendations, one activity within the policy initiator role, for the appropriations committees. However, as previously discussed, only one committee member interviewed cited policy initiation as a role taken on by the legislative fiscal analyst and that was in combination with the facilitator and monitor role. Therefore, none of the Arizona legislators responded

that policy initiating was the role that best described legislative fiscal analysts in Arizona even though these analysts develop budget recommendations.

Legislators in Maine selected the facilitator role more often than the other roles, although monitoring agency expenditures and caseloads also surfaced as an important analyst role. Three of the four Maine legislators interviewed reported multiple roles consisting of facilitating and monitoring, with two of these three legislators stating that facilitating was primary role followed by monitoring, while the third legislator perceived monitoring to be more important than facilitating and one believed facilitation to be the most important. The facilitating role attributed to Maine legislative analysts corresponds with the primary duty reported by Maine legislative fiscal analysts. In Chapter Three, it was revealed that the Maine analysts reported that the review and evaluation of agency budget requests, an activity within the facilitator role, was their primary duty. Likewise, a secondary duty reported by the Maine legislative analysts was tracking expenditures and caseloads, an activity associated with the monitoring role. Legislator comments included:

> Facilitator and monitor role. Both important. They do monitor agency expenditures, but not in any kind of formal oversight role, they would provide us with information concerning agency expenditures and they do give this to us a lot. But they are facilitators too. They focus on one policy area and have more expertise than committee members. They have the ability to synthesize information for us, especially with their budget summaries. (Legislator)

> Facilitator role is most important, although they monitor too. They answer our questions during the public hearings process and after the agencies make their presentations. They also do fiscal notes and this is an invaluable source of information for me. This is very important to the Legislature. (Legislator)

> More monitor than anything else, but some facilitating too. They primarily monitor agency expenditures and provide us with trend analyses. But they do provide a dialogue with the agencies, we get a lot of information from the agencies and they help us understand the agency budget requests. (Legislator)

> They play an information role, the facilitator role. They give us the information that helps us to be somewhat independent of the executive. (Legislator)

Interestingly, the absence of policy initiating as it relates to the provision of policy options or alternatives is of some concern for the some legislators interviewed in Maine. Legislators were asked if there is any type of information that you would like to have but are not receiving from the analyst, three of the four Maine legislators commented that they would prefer to see staff play a more proactive role in the budget process by providing more policy options or suggestions. These legislators reported that the analysts were very good at providing historical and expenditure analyses, those activities associated with monitoring, but not as good at providing policy options, activities more closely associated with the policy initiator role. These legislators explained:

> They [fiscal analysts] are good at giving us trend analysis. If we ask, what is the 10-year expenditure history? Then they can provide us with that information. But they will not make suggestions. If I ask how should we reduce the payroll in this one area or are there other ways to provide this service, they can't do this for us. I want staff to help guide me more. If I say I want to do this policy or program, I want them to tell me how to get there. When they do provide information, such as the trend analyses, they are totally dependent upon the agency for the information. I personally think the relationship gets a little too close. The budget grows because of this. We are not effective in budget matters, the legislature adopts 90% of the executive budget. I want staff to take a stronger role, but this has to come from leadership, the committee chairs. Nonpartisan staff have trouble dealing with some of our questions. Staff are trying too hard to be nonpartisan. I would vote for partisan staff if it came to that. (Legislator)

> I want them [analysts] to give us options or alternatives so that we could make choices. There is much less of this than in the past. It doesn't happen enough for me, I would want much more options provided to me. (Legislator)
>
> Previous staff used to be more involved in pointing out things that we should be looking at. We are a part-time legislature and sometimes we don't know the questions to ask. They [analysts] provide us with information when asked, but I wish that they would provide us with more information. I told the chairs that they [analysts] needed to be more active, more strong. We will have new chairs next year, so I don't know if this will change. (Legislator)

These comments suggest that some of the appropriations committee members interviewed in Maine would like analysts to play a stronger role in the state budget process. In Kansas, facilitating was deemed important for legislators along with the clerical role. As Table 4.1 indicated, while facilitating was viewed as a significant activity, all four Kansas legislators responded that the clerical role was also an important activity. This is consistent with the description of duties by the Kansas legislative fiscal analysts as discussed in Chapter Three. Although Kansas analysts reported as their primary duty the review and analysis of agency requests and executive recommendations, all cited staffing subcommittees and working for subcommittee chairs as a large task during the legislative session.

> The clerical role and the information provision, the facilitator role. Both roles are absolutely essential. I do not have any personal staff, therefore, someone has to run the committee, this would be a technical role, where the analyst is responsible for calling people to provide information, setting meeting times, etc. But they are facilitators too. Analysts are sources of unbiased information. They provide me with any kind of information I want concerning the state budget or an agency budget. (Legislator)
>
> The facilitator and clerical role, analysts do not get involved with policy decisions, that is our role. There are a number of programs, some are straightforward, but some are hard to follow. Analysts keep us up to speed. They may provide me with several options on how to do something, but it is my choice what to do or if to do it at all. (Legislator)

> They are facilitators and the clerical role too. The analysts are perceived to be neutral, nonpartisan sources of information. They are a great resource for both sides of the aisle. We are all dependent upon their information. They have the corporate memory, but they don't give us policy recommendations. (Legislator)

> Facilitator is main role. Clerical role is the next important role. They provide us with background information, clearing up issues, responding to our questions, etc. The LFA also staffs my subcommittee, I would consider this a clerical or technical role where she assists me in calling roll, handing out reports, etc. (Legislator)

In Colorado, however, the only committee member interviewed cited the policy initiator role as the primary role of the legislative fiscal analysts in the budget process. This legislator was the only legislator among all interviewed in this study citing the policy initiation role as the primary role for analysts. However, this statement regarding policy initiation should be interpreted cautiously due to the fact that only one member of the Colorado Joint Budget Committee was interviewed for this study. In regard to analyst roles, this legislator responded:

> They are policy initiators. We [JBC] initiate to, but they [LFAs] do the initial issue briefs [analysis of agency requests] and figure-setting[budget recommendations], then we can do something about it or not. We can determine whether we accept their recommendations or not, but they make the recommendations on every facet of the budget based upon their knowledge of the agency. They are the experts, we are not. (Legislator)

The comments by this particular Colorado legislator correspond with the reported primary duties of analysts in Colorado. Chapter Three revealed that Colorado legislative analysts reported that their primary duties were the evaluation of agency budget requests (facilitation) and the preparation of budget recommendations (policy initiation).

In summary, while ten of the 13 legislators reported multiple roles for the fiscal analyst in the budget process, the facilitator role was the most frequent response, except for analysts in Colorado. The Colorado legislator interviewed reported that the analysts play solely the policy initiator role. The perception of analysts as facilitators of decision making by the legislators is congruent with the primary duties cited by the legislative fiscal analysts. The analysts placed heavy emphasis on their review and analysis of agency budget requests and executive recommendations and their dissemination of this information to legislators through formal presentations in committee. This primary duty corresponds to the facilitator role attributed to them by the legislators. Although the facilitator role was most frequently cited by legislators, there is variation by state on the secondary role played by analysts in three states. In Arizona and Maine, six of the eight legislators interviewed in these states responded that the monitor role was an important function of the legislative analysts. In contrast, Kansas legislators responded that while facilitating was of primary importance, analysts also perform the essential clerical task of staffing committees and subcommittees.

Summary of the Analyst/Legislator Relationship

The relationship between analyst and legislator is primarily one of facilitation where the analyst provides fiscal information through a variety of activities primarily to the legislators who sit on the fiscal committees. Although analysts in different states report different patterns and degrees of contact with the legislators on the fiscal committees, similar types of information are provided to them during key periods in

the budget process. These key periods are the presentation of the agency budget requests and, for those analysts in Arizona and Colorado, the presentation of budget recommendations. The activities of analyzing agency budget requests and developing budget recommendations are the primary duties performed in the budget process by the legislative fiscal analysts as discussed in Chapter Three. From a broad, historical summary of an agency and its programs to more specific information on a particular agency budget request, analysts supply the most basic information to legislators when they are making decisions about the budget. Both analysts and legislators report that this kind of basic information is the most important information needed to make budgetary decisions. Inherent in this facilitation role is the belief by analysts that they are trusted by legislators to provide honest, reliable, and objective information and that as nonpartisan staff are absolute in their rejection of providing advice to legislators. The analysts provide information under modest amounts of direction from the legislators but with a great deal of discretion in providing information and pointing out areas of concern in an agency's budget request. As facilitators, analysts are important reducers of information by determining the parameters for debate. The analysis of the agency budget requests and executive recommendations paves the way for legislators to direct analysts to collect further information on a particular issue or direct them to add specific recommendations or devise alternative policy proposals.

One of the most interesting aspects of this discussion is the strength of facilitation in describing the role of legislative fiscal analysts in the budget process. Although other roles are present, the analyst as an information collector, analyzer, and disseminator is the dominant theme. Few legislators perceived analysts to be

policy initiators, even among those fiscal analysts who develop budget recommendations. The exception was the lone legislator interviewed in Colorado citing the policy initiator role as the primary role for analysts in her state. While this may be perplexing, it can perhaps be explained by the fact that in the course of developing budget recommendations, information is analyzed and disseminated to legislators, a key component of the facilitation role. Further, a policy initiator is defined as an individual who proposes new programs or services and/or changes in existing programs and services. In many cases, this is done at the request of the legislators and at the very least, it is the legislators themselves who have the final say as to whether a proposal made by an analyst is accepted, rejected, or modified. One other factor could be at play in the discussion on analyst roles. At the time that the interviews were taking place, all four states were dealing with some type of fiscal stress, either revenues shortages, expenditure overruns, or both. Fiscal stress could reduce the ability of analysts to be policy initiators. Legislative analysts know that funding for new programs or expansions of old programs is limited and therefore would bring forth less proposals or recommendations for new or expanded programs.

Legislative Fiscal Analyst Relationships with Agency Personnel

Legislative fiscal analysts and agency personnel interact with each other for a variety of reasons. From requesting a description of an agency program, clarification of a budget request or legislative committee action, explanation of an agency decision, to a summons for agency testimony at a committee hearing, agency personnel and fiscal analysts engage in frequent contact. This contact, however,

varies based upon the point in the budget process and by agency official. Legislative fiscal analysts were asked a series of questions regarding interaction with agency personnel. First, analysts were asked to state the frequency of contact with agency personnel during the budget process, to comment on the point in the process where contact is more frequent, and to discuss the nature of the contact with agency personnel.

In general, contact between analyst and agency personnel is more frequent at the point when fiscal analysts are preparing their analysis of agency requests and/or budget recommendations. It is at this point where analysts reported heavy contact, often daily, with agency officials. The nature of legislative analyst contact focuses on the agency budget requests including clarification of a specific request, explanation of an assumption used in developing a request, discussions on how calculations were made, and other fiscal and/or programmatic issues deemed relevant by the analyst in developing her analysis and presentation. The frequency and nature of contact with agency personnel were similar among all analysts interviewed in this study. Analyst comments included:

> Contact at least once a week. Getting information needed to do the budget recommendation book, to answer legislator questions, and if I have a question, etc. I have more contact with the agency than the executive budget analyst, usually the fiscal officer. (Legislative Fiscal Analyst)

> During the peak of the session, when we are preparing and then presenting our budget recommendations, it [contact] is probably every other day. They [agency] know the most. They are my single point of entry. They control the information. I contact the fiscal manager the most, but I do call others as well, such as the program people and liaison. (Legislative Fiscal Analyst)

> Contact is several times a week when I am developing my budget recommendations. Mostly the budget director, for information about their budget request, how they are splitting funds between federal, state, and other funds. They keep records on each school district and I get that information from them. (Legislative Fiscal Analyst)
>
> I contact them [agency] daily, use them for information more than the executive budget staff. Most intense contact during the legislative session at the beginning when we are developing and presenting our agency budget analyses to the committee. Most contact with budget officer and then the agency director. During session, contact primarily concerns the budget request. I always have questions regarding how they calculated something, why they need a new position, what the impact is of something that they want to do. (Legislative Fiscal Analyst)
>
> A lot of contact during the session, its daily, but at the end of the session it tapers off. During the budget process, I contact the agency to gain a better understanding of what is behind the request, what is included, getting the details of the request, sometimes a member will ask for information, or we need you [agency] here for a meeting. I typically have contact with the finance director. But it depends upon the issue. With specific budget issues, it's the finance director, the fiscal officer most often knows everything that is going on. Sometimes if it is program related, I call the program director, it depends upon what you want to know. (Legislative Fiscal Analyst)

The comments from the legislative fiscal analysts indicate that contact with agency personnel is more frequent when analysts are preparing their analyses of agency requests and when analysts prepare their budget recommendations for the legislature. The point of heavy contact varies among the states, as analysts perform the tasks of analyzing requests and developing budget recommendations at different times. Arizona analysts have a heavy period of contact in the fall prior to the session when they prepare a review of agency requests and develop their budget recommendations. Colorado analysts have two peak periods of agency contact, once in the fall prior to the session when they prepare and present the analysis of agency budget requests, and again in the spring, when developing the budget

recommendations. Kansas analysts have significant agency contact in the late fall as they begin reviewing agency budget requests. In contrast, Maine analysts contact agency personnel early in the legislative session when they receive agency budget requests. Although these are typically the peak periods of agency contact, analysts reported calling agency personnel prior to and throughout the legislative session to provide information resulting from a legislative request. Further, the comments suggest that analysts have the most contact with the agency fiscal or budget officer.

Interim contact is much less frequent than immediately prior to and during the legislative session. Contact with agencies during the interim is sporadic and occurs under a variety of circumstances. For example, the analyst may visit a state facility with committee members, contact agency officials due to interim committee work that pertains to a specific agency, seek a legislative request for information, or meet with agency personnel regarding agency compliance with legislative intent as programs are implemented. Typical responses from analysts regarding contact during the interim included:

> During the interim there is less contact, we are doing less work, usually dealing with ad hoc questions from member. This could be both fiscal or programmatic questions. (Legislative Fiscal Analyst)
>
> Much less contact during the interim, contact could be associated with an interim committee, where I will be asked to put together information for the committee, or I will get a specific request from a member for information. (Legislative Fiscal Analyst)
>
> A lot less contact and sporadic. We often get out and visit state facilities. I may ask the department about any initiatives they are undertaking that legislators should be made aware of. (Legislative Fiscal Analyst)
>
> Very little contact, the [agency] budget director is busy putting together next year's budget, so I don't bother them. (Legislative Fiscal Analyst)

> During the interim the contact is less, but I do contact them. I look at new programs and see how they are working. I educate myself on the department. (Legislative Fiscal Analyst)

In this study, agency directors, agency legislative liaisons, and agency budget or fiscal officers were interviewed from the Corrections, Education, and Medicaid agencies. These three types of agency personnel were chosen as each have a different relationship and perspective on the role of the analyst. Agency directors have a broad view of agency needs and may have less direct contact with legislative analysts due to their position as director. Agency legislative liaisons lobby the legislature in the state capitol, thereby seeing firsthand the relationship between analyst and legislator. Agency budget or fiscal officers have the ability to assess the budgetary impact of the analyst on the agency's budget request. For this study, 22 agency officials were interviewed. The researcher was able to interview at least one official from Departments of Corrections, Education, and Medicaid in all three states, except for the Arizona Education Department. In addition to the 22 interviewed, five officials were contacted but reported little or no contact with the legislative fiscal analysts and therefore, did not complete the interview. Of the five officials reporting little or no contact, two were agency directors. One agency director was new to the agency and did not have knowledge of the legislative analyst, while the other agency director left all contact with the legislative analyst with the agency fiscal officer. The remaining agency officials were legislative liaisons who were actually public information officers with primary responsibility for interacting with the public and media. Therefore, in this study, not all agency directors or legislative liaison positions have regular contact with legislative fiscal analysts. When requesting an

interview with the agency budget or fiscal officer, none of these individuals refused an interview due to little or no contact with the legislative analyst. Again, this suggests that contact is the most frequent between analyst and fiscal officer.

Responses by all agency personnel (budget officer, liaison, and director) support the comments made by the legislative analysts that heavy contact, usually daily or several times a week, typically occurs when analysts are preparing their analyses of the agency requests and/or developing budget recommendations. Agency personnel were asked to comment on the frequency and nature of contact with the legislative fiscal analyst responsible for their agency's budget. Eighty-one percent of the agency personnel interviewed (18 of 22) responded that contact during these periods is quite high, usually daily or several times a week. The interviews revealed that 60 percent of the agency personnel reporting daily contact were the agency budget officers, followed by the agency legislative liaisons at 30 percent. This is not surprising as one would assume that legislative fiscal analysts and agency budget officers would have the most frequent contact due to questions surrounding the agency budget. Some agency personnel commented concerning contact included:

> Contact is greater when he is putting together his budget recommendations, couple of times a week. We would contact him to make him aware of things we feel strongly about. If he has questions about our budget request, he calls. Or information requests from legislators. We also called a couple of meetings to educate him on what we thought were important issues for the department. (Agency Official)

> During the legislative session it is daily. [LFA] starts analyzing the budget in November, it is at this point in the process, that he has questions regarding our request and budget decision items, questions that also come from legislators. (Agency Official)

> Multiple times a day. From November 1 until figure setting is over, we are speaking with each other at least once daily. She is asking questions about the budget request, we have a two inch binder that she goes through. She is looking at the data, she also initiates inquiries from members and I respond to those. (Agency Official)
>
> Virtually daily. There may be a number of reasons why I contact [LFA]. [LFA] reviews the fiscal notes prepared by the legislative council staff. There are times when there is disagreement between the agency view and legislative council view. I may call [LFA] to ask what am I not understanding about how the legislative council views this impact. I may not understand their perspective. I may ask [LFA] how can I frame this issue better? If we do an analysis of a bill or the price tag of a bill, we would initiate contact with [LFA] use her as another knowledgeable source on the issue to see if our assumptions hold water. (Agency Official)
>
> Daily contact during the session. "You name it." She is at every committee meeting on Education and we talk to her about everything. She is good about telling us about bills that concern our agency and what is happening in the legislature. Also, when the legislature wants information, she calls us and tells us that the legislature needs something from us. She often seeks clarification from us. She knows our budgets real well, but sometimes we have to help her understand some of the specifics. (Agency Official)
>
> Daily. Mostly specific questions about our budget request, questions about how a certain bill will impact our agency, they must do fiscal impact statements and they call to find out what our opinion is on those financial impacts. (Agency Official)

These comments by the agency personnel in this study support the analyst responses. Heavy contact, usually weekly and often daily, occurs during the time that analysts are preparing agency budget analyses and budget recommendations. These comments suggest that contact is a two-way street between analyst and agency. Both actors contact each other frequently and both actors request and give information to each other. For analysts, contact with the agency primarily concerns questions surrounding the agency budget request and legislative inquiries. For agency personnel, contact with analysts occurs for a variety of reasons including getting

information on a committee action or legislative proposal impacting the agency, providing new information that changes the agency budget request, and attempting to better understand the legislative perspective or intent regarding a proposal or action relating to the agency. The interviews did not reveal any patterns of contact based upon the policy area of the analyst. However, the interviews did reveal some differences among the states. Agency personnel from Colorado and Kansas were more likely to report daily contact with the legislative fiscal analyst than agency personnel from Arizona and Maine. Further, two of the 22 agency officials reported that contact was rare with the legislative fiscal analyst even during these peak periods. In Maine, an agency fiscal officer responded that questions from the legislative analyst concerning the agency's budget request are typically handled by the executive budget office. In Kansas, an agency director commented that most inquiries from the legislative analyst are funneled through the agency fiscal officer.

All agency personnel reported that contact drops off significantly during the interim, just as reported by the legislative fiscal analysts. Contact after the legislative session occurs due to interim committees or task forces, transmitting of reports from agency to legislature, visitation of state facilities, or educational meetings set up by the agency to inform analysts about agency operations and services.

In an attempt to establish whether the legislative fiscal analyst is an important actor with respect to an agency's budget, agency personnel were asked a series of questions designed to measure the significance of analysts for the agency. First, agency personnel were ask to identify by name, the fiscal analyst responsible for their agency.

All agency personnel accurately identified by name the legislative fiscal analyst responsible for their agency's budget. This ability to identify the analyst is indicative of the heavy contact between the two groups of budget actors. As the comments from the legislative analysts indicate, state agencies are a major source of information for analysts. Likewise, agency personnel use legislative analysts as sources of information for legislative intent and concerns, status of bills, and committee action.

Second, the agency personnel were asked if they seek advice from the legislative analyst on how to present budget information and/or approach legislators. Nine of the 22 (41%) agency personnel responded that they do ask the legislative fiscal analyst for advice primarily concerning how to disseminate information. Comments from some agency officials included:

> Yes, more so on how to present the budget information, not so much in approaching legislators. I often ask how would they [legislators] like to see certain things, how to clarify certain issues, the Medicaid budget is very complex and I need to simplify things, what to include and not include in information that I give to legislators. (Agency Official)
>
> Yes, from time to time. We sent the chair of the committee a request not too long ago and she turned it down, I asked [LFA] why and how to present it again, so I do ask for his advice. (Agency Official)
>
> I do have questions about the budget process. I may ask about procedure, if we have to go in front of the committee, I will ask how that works. I rely first on the governor's budget analyst, but I do call [LFA] on occasion and ask him what he thinks. (Agency Official)
>
> The budget office does not approach legislators, but we do ask for advice. Just last week I sat down with [LFA] to go over the last session. I wanted to know if our budget request was organized well, if there is enough or good supportive information, was it okay? (Agency Official)

> Yes. We just took over a veteran's facility that closed in order to use it for a correctional facility. Before we did this, we took [LFA] out there for a visit to explain why we wanted to do this. We used him to "test the waters" to see where [LFA] is on an issue, this gives us a good idea of how the legislators will react and it gives me ideas on how to counteract [LFA] arguments. It gives me the chance to refine my arguments and to address [LFA] arguments so that we don't have issues. (Agency Official)

> Occasionally, her knowledge of a particular legislator and how they process information is better than mine. For example, I am planning to talk to Senator X on this issue, do you think it would be useful to have charts, graphs? and she might say, use spreadsheets or something else instead. She is good at doing that. (Agency Official)

In summary, when reviewing contact between analyst and agency, no patterns appear among individual analysts or by policy area. However, similar patterns of contact are present among the four states in that heavy contact occurs during the period when analysts are preparing their reviews of agency budget request and/or developing budget recommendations. Because most of the contact surrounds the agency budget, agency fiscal officers are important information sources. Further, supporting the frequent contact reported by both actors, all agency personnel were able to identify by name the analyst responsible for their agency and almost half of the agency officials reported asking the analyst for advice on how to present or clarify information to legislators. Therefore, the comments from both actors suggest that the relationship is important. To further assess this assumption, agency officials were asked to rank the importance of establishing a good relationship with the legislative fiscal analyst.

Importance of Establishing a Good Relationship with Legislative Fiscal Analyst

Previous research has indicated that agency budget officials take the role of legislative staff seriously and attempt to establish good relations with them

(Duncombe and Kinney 1987). The current study expands previous research by asking three different types of agency personnel (directors, legislative liaisons, and budget officers) to rate the importance of establishing a good relationship with the legislative fiscal analyst responsible for their agency's budget as either very important, important, somewhat important, or not important. Table 4.2 indicates that 91 percent of the agency officials interviewed responded that it was very important or important to establish a good relationship with the fiscal analyst, with 82 percent responding that a good relationship was very important. Some differences arise when reviewing the responses by type of agency official. Nine of ten (90%) budget officials interviewed responded that it was very important to establish a good relationship, while nine of 12 (75%) directors and legislative liaisons reported that establishing a good relationship with the legislative analyst was very important. Interestingly, the two agency officials reporting that establishing a good relationship was only "somewhat important" were from the same state (Maine) and each of these individuals also reported less contact with the analyst responsible for their agency's budget than the contact reported by other agency officials in that state. Therefore, the importance of establishing a good relationship may be conditioned by the amount of contact with the legislative fiscal analyst. The strongest support for establishing a good relationship with the fiscal analyst was found in Colorado, where all agency personnel reported that it was "very important" to establish a good relationship with the legislative fiscal analyst responsible for their agency's budget and the agency personnel in this state also reported that contact with these legislative fiscal analysts was daily.

Table 4.2
Importance of Establishing a Good Relationship with LFA

Relationship	Agency Director	Agency Legislative Liaison	Agency Fiscal/Budget Officer	All Agency Personnel
Very Important	4 (66%)	5 (83%)	9 (90%)	18 (82%)
Important	1 (17%)	1 (17%)	-	2 (9%)
Somewhat Important	1 (17%)	-	1 (10%)	2 (9%)
Not Important	-	-	-	-
Total	6 (100%)	6 (100%)	10 (100%)	22 (100%)

The relationship between analyst and agency personnel is important for each group of budget actors. In many ways, the relationship between analyst and agency is symbiotic as they both rely on the other for assistance. From the viewpoint of the analyst, the agency is a major point of contact when legislators ask questions about agency programs or finances. When legislators make a request for information regarding an agency or program, that agency may be the sole source of information for the analyst.

For agency officials, having a good relationship with the analyst is essential in getting the agency perspective conveyed to the legislators. When asked why it is important to establish a good relationship with analysts, the majority of agency personnel reported that due to analysts disseminating information about the agency to legislators, it is important to have a good relationship. Agencies can use analysts as facilitators of information and for accurately reporting agency issues and concerns. Analysts who are able to learn and understand programs, services, and important issues report this information back to legislators as part of their facilitating duty. Because of this, agency officials feel it necessary to establish a trusting and honest

relationship with these individuals acting as facilitators. Ten of 22 (45%) agency personnel specifically commented that establishing a good relationship builds trust between the two groups. Trust enables the agency personnel to feel confident that the legislative fiscal analyst accurately and objectively communicates the agency perspective to the legislature. Further, trust is necessary so that analysts will have confidence that the agency is providing fair and accurate information. This relationship helps to insure that the analyst and agency work together to educate the legislature on agency programs and services. Comments from agency officials included:

> The relationship opens the door for me to provide information to the analyst prior to the committee presentation. Once things get to the committee, the dynamics change. If she [legislative fiscal analyst] and I can visit prior to this, then I may get something that is palatable for my agency. I have to convince her that what the agency is asking for is reasonable. If we don't agree, then at least I know what her argument is and I can prepare a response to the committee that backs up my view. Trust is the key. If she trusts me, she is less likely to believe that I am padding the agency's budget. There is some suspect of agencies by analysts. I understand this. But trust helps us to work with each other better. (Agency Official)

> The analyst provides information to appropriation members that they take as "the law" – the final say on an item. It is important to have a good working relationship and trust with the analyst and one who will take our word with full faith and confidence that it is the answer. (Agency Official)

> This person has direct contact with the members. They have a larger base than we do. They must have a clear understanding of what is going on in our agency. There must be a high level of trust between the agency and the analyst. [The LFA] must have confidence in us and in the types of information that we provide. (Agency Official)

> If I have a good relationship with her and if she has a good relationship with me, then she can understand the logic behind our requests. The analyst must be able to convey our requests and information accurately, objectively, and impartially. There is an element of trust that I work on to achieve. They build institutional knowledge about what we do and they share that with members. (Agency Official)
>
> It is important to have a trusting relationship so they know that we are giving them fair and honest information. (Agency Official)
>
> The better my relationship with the analyst, the more trust that he has that we are providing honest information that would benefit the state. (Agency Official)

Further, agency personnel recognize the importance of establishing a good relationship because of the joint effort needed between the two groups to provide accurate and timely information to legislators. Agency personnel know that they have to work with the analysts in an effort to fulfill the intent of the legislature. Comments by both analysts and agency personnel presented earlier in this chapter on the nature of contact suggest a symbiotic relationship between the two budget actors. Examples of this joint effort included analysts informing agency personnel of the specific kinds of information requested by the legislature, agency personnel calling analysts to seek clarification on a committee request or action, and analyst and agency personnel working together on a committee request. Further, joint effort is apparent when analysts provide a "heads up" on issues the legislature is considering such as possible requests for information or the impact of future legislation. Therefore, in addition to establishing a good relationship because analysts provide information to legislators and in an effort to build trust with the analyst, five of 22 agency personnel

cited the need to establish a good relationship because of the joint effort required to complete legislative requests. Agency responses included:

> We want to make sure that we get things done as requested by the legislature. We [analyst and agency] work together to fulfill the intent of the legislative request. Together, we can get the data and get it to the legislature. (Agency Official)

> We are all trying to get the very best and timely information to the legislators so that they can make good policy decisions. It is a joint effort between the analyst, myself, and my staff to get good information to the policymakers so that they are able to do their work. (Agency Official)

> Because of term limits, she is a thread of continuity for our programs. She will be more likely to have our history than the committee members. She very much can serve as a guide to what the committee is thinking so that I can get an early notice of concerns on their part. (Agency Official)

The importance of establishing a good relationship with legislative fiscal analysts takes on another dimension in Arizona and Colorado. Four of 10 (40%) agency officials in Arizona and Colorado specifically stated that it is necessary to establish a good relationship with the analyst because the agency needs the support of the analyst in getting its budget request accepted by the legislature. Because analysts in Arizona and Colorado present budget recommendations to the legislature, agency personnel may have a greater need to develop a good working relationship with the analysts. The agency officials explained:

> She is the one who prepares the initial budget recommendation, we need her to have a good understanding of what we do and of our requests and to support them as much as possible. (Agency Official)

> Communication is the key to a good relationship. An open, honest relationship is essential in our being successful in getting our agenda through. We lobby [the legislative fiscal analyst] just like we lobby the legislators because of the budget recommendations that he makes. (Agency Official)
>
> Our funding for our agency is dependent upon our relationship. He is the one who develops the budget recommendations for the legislature. We can cut our losses by being upfront and honest with him. (Agency Official)
>
> I have to convince her that what the agency is asking for is reasonable. She is responsible for our budget recommendation. I visit with her, provide her information, and get responses to her in a timely fashion. (Agency Official)

In summary, the majority of the agency officials interviewed (91%) indicated that it was "very important" or "important" to establish a good relationship with the legislative fiscal analyst. Agencies understand the importance of analysts as significant sources of information for the legislature. This necessitates establishing a good relationship so that both parties are confident that the information provided by agencies and presented to legislators by analysts is accurate and honest. In addition, in Colorado and Arizona establishing a good relationship may take on more importance because analysts make recommendations on the agency budget.

Perception of LFA Role with Agency by State

Earlier it was discussed that legislators in this study perceived the role of analysts in the budget process as primarily one of facilitation. The discussion will now turn to the perception of analysts and agency personnel concerning the role played by the analysts with respect to state agencies. The roles used in this part of the study were adapted from a study of executive budget analysts (Thurmaier and

Gosling 1997). In the Thurmaier and Gosling study, executive budget analysts were interviewed and asked to characterize their role with respect to their agencies in the budget process. Thurmaier and Gosling provided a list of roles for the executive budget analysts to choose from that included: agency advocate, adversary, facilitator, policy analyst, or other. Although Thurmaier and Gosling evaluated executive budget analysts, their study can be useful in studying the relationship between legislative fiscal analyst and state agency. Both types of analysts are responsible for understanding the agencies under their supervision, reviewing and evaluating agency requests, providing information to their respective bosses, and in some cases, developing budget recommendations. Therefore, the roles in the Thurmaier and Gosling study can provide a framework for capturing the relationship between legislative fiscal analyst and the state agency. However, some parts of the Thurmaier and Gosling study were changed. First, the title of the policy analyst role was changed to policy initiator in the current study. Second, the title of adversary was changed to monitor in the current study. The title change of policy analyst to policy initiator and adversary to monitor more appropriately reflects the descriptions of the duties performed by the analysts for the legislature and allows for comparison in role choice among the key budget actors in this study. Third, the current study expands the number of individuals interviewed by reporting the perceptions not only of legislative fiscal analysts but also the perceptions of agency directors, agency fiscal or budget officers, and agency legislative liaisons as well. In the Thurmaier and Gosling study, only executive budget analysts were interviewed concerning their role with state agencies. It should be noted that the roles used to describe the analyst

relationships with state agencies are similar to the roles used to describe the analyst relationship in the budget process used earlier in this chapter. When discussing analyst roles in the budget process, legislators were asked to select the most appropriate role for legislative analysts. When discussing analyst roles with the state agency, the agency advocacy role described below was substituted for the clerical role used in the legislator interviews. A description of the roles describing the analyst relationship with the state agency follows.

The **agency advocacy role** is one where the legislative fiscal analyst supports the agency and its programs before the legislature. In this position, the analyst has a good working relationship with the agency, believes in the objectives of the agency, and disseminates and supports agency positions before legislative committees. The **monitor role** suggests a less collegial role with the agency. This role is most closely associated with the detailed monitoring of the agency by tracking agency expenditures, preparing spreadsheets showing changes in caseloads or program recipients, and/or questioning an agency request or position on an issue. The **facilitator role** denotes a more positive relationship with the agency, but not as an advocate. This role occurs when analysts collect information about state agencies, provides information to members, and can involve the analysis of agency requests and/or executive budget recommendations and fiscal note preparation. When analyzing agency requests and executive recommendations, analysts point out major departmental issues that members should be aware of such as potential problems with programs or funding or possible federal regulations or legislation that may impact a state agency or program. In the course of fulfilling this role, the analyst must be

active in understanding agency programs, making agency contacts, and communicating ideas and issues from agency to legislator and vice versa. In the **policy initiator role,** the analyst provides policy options or alternatives to legislators, makes budget recommendations that could include recommending new agency programs and/or changes in existing programs. In this role, analysts would define problems within programs, evaluate alternatives, and recommend options, including funding levels and number of positions. By developing solutions to defined problems, the policy initiator role goes beyond the facilitator role of merely providing information, summarizing agency programs, and pointing out areas of concern or key issues.

During the interview process, the interviewer briefly described each role and asked analysts to select the most appropriate role for themselves in the budget process. Likewise, agency officials were asked to select the role that best described the relationship between analyst and agency. Table 4.3 captures the most frequent role responses. As with the legislators interviewed, multiple roles were selected by some of the respondents. Table 4.3 reveals that the most frequent response either separately or in concert with other roles, is the facilitator role with 29 of 33 respondents selecting the facilitator role. Both legislative fiscal analysts and agency personnel selected the facilitator role more frequently than the other three roles.

Table 4.3
Legislative Fiscal Analyst and Agency Personnel Perception
of
LFA Role with Agency

Role	Legislative Fiscal Analyst N=11	Agency Personnel N=22	Total Role Responses of Interviewees N=33
Agency Advocate	-	-	-
Monitor	6 (55%)	7 (32%)	13 (39%)
Facilitator	10 (91%)	19 (86%)	29 (88%)
Policy Initiator	2 (18%)	7 (32%)	9 (27%)

Note: All percentages have been rounded up.

Ten of the eleven (91%) analysts reported that the facilitator role was the best description of their relationship with state agencies. Five of 11 (45%) analysts selected only the facilitator role while five of 11 (55%) analysts selected the facilitator role along with one or two additional roles, with facilitating being the most important. One analyst selected monitoring as the most appropriate role with regard to his agencies. The selection of facilitation as the most appropriate role on the part of the analysts supports the discussion on the primary duties in Chapter Three. Responses from analysts included:

> I must let my bosses [legislators] know what the issues are. The department may say that the issues are X, Y, and Z and I think that it is X. (Legislative Fiscal Analyst)

> My job is to know what is going on in my agency to facilitate decision making. I am a source of information when they aren't in town. I keep them updated. (Legislative Fiscal Analyst)

> We make presentations to the committee in the fall during the briefings [analysis of agency budget requests] where we review the agency requests and brief members on the various issues regarding the agency. (Legislative Fiscal Analyst)

Nineteen of 22 (86%) agency personnel selected the facilitator role. Twelve of 22 (55%) agency personnel reported that the facilitator role was solely the role that best characterized the legislative analyst responsible for their agency. Seven of 22 (32%) agency officials selected the facilitator role along with other roles. Among these seven officials, five commented that the facilitator role was the most important of the multiple roles selected and two officials commented that the policy initiator role was the most important. Agency personnel comments regarding analysts as facilitators included:

> She [fiscal analyst] is a facilitator. The committee uses her as an information gatherer. She reviews the department request and gives her analysis to the legislature and that usually spawns questions from us. Then we work with her to see that those questions get answered. (Agency official)
>
> The role is a facilitator. One of gathering, analyzing, and communicating information to the legislature. To provide information to members regarding our agency, our budget request, and issues that are important to us. (Agency official)
>
> Facilitator role more than anything else. Due to the nonpartisan nature of the office, there is no policy initiating there. (Agency official)

Although the facilitator role was chosen most frequently by legislative analysts and agency personnel, several other roles were selected. For example, agencies and analysts reported that at times the relationship can be antagonistic. An agency director commented that the legislative agenda is not the same as the agency's agenda. Because analysts work for the legislature, they assist the legislators in making decisions that agencies may not support. Therefore, leading to strained relationships can develop as analysts work with agencies to implement legislative

initiatives. The occurrence of these strained relationships is supported by analyst comments. For example, several analysts mentioned that it is often uncomfortable for them to request information from an agency that is a burden on the agency in terms of time and staff resources to request information for a legislative proposal not acceptable to the agency.

Although no respondent identified the agency advocacy role as the most appropriate for legislative fiscal analysts either separately or in concert with other roles, there can be rare occasions when agency advocacy occurs. During the course of the interview, several agency officials and legislative fiscal analysts provided examples of agency advocacy. These responses included:

> He [fiscal analyst] is not an advocate. But he did help the department this past session. The state had to make some budget cuts this year. The committee wanted to cut two or three items in our budget, but [analyst] advocated for our department on why we [agency] could not cut them because they were necessary items for us. (Agency Official)

> The agency had been asking for new computers and software. They [agency] showed me what they needed and the type of software that could do the job for them. I agreed that the software would be useful. They needed $1 million for the computers. I advocated on their behalf for this software, but I justified what I did based on the fact that they would be more efficient in doing their jobs with the new computers and software. (Legislative Fiscal Analyst)

> He helped the department by going the extra mile to make our views known to the legislature. (Agency Official)

Table 4.4 reveals the differences in responses by state. The primary role for legislative fiscal analysts is the most clear among Kansas and Maine respondents. Kansas is the only state where none of the interviewees responded that the analysts played multiple roles. All Kansas agency officials and legislative fiscal analysts

reported that the most appropriate role of the legislative fiscal analyst is facilitation. The respondents from Maine were also similar in their role selection with analysts and agency officials most frequently responding that the facilitator role best characterizes Maine fiscal analysts, although the monitor role does appear as a secondary role for the analysts.

Table 4.4
Legislative Fiscal Analyst and Agency Personnel Perception of LFA Role with Agency by State

State	Legislative Fiscal Analyst	Agency Personnel	Total Role Responses
Arizona			
Agency Advocate	-	-	-
Monitor	2 (40%)	1 (14%)	3 (25%)
Facilitator	3 (60%)	4 (57%)	7 (58%)
Policy Initiator	-	2 (29%)	2 (17%)
Total	5 (100%)	7 (100%)	12 (100%)
Colorado			
Agency Advocate	-	-	-
Monitor	3 (42%)	4 (31%)	7 (35%)
Facilitator	2 (29%)	4 (31%)	6 (30%)
Policy Initiator	2 (29%)	5 (38%)	7 (35%)
Total	7 (100%)	13 (100%)	20 (100%)
Kansas			
Agency Advocate	-	-	-
Monitor	-	-	-
Facilitator	3 (100%)	6 (100%)	9 (100%)
Policy Initiator	-	-	-
Total	3 (100%)	6 (100%)	9 (100%)
Maine			
Agency Advocate	-	-	-
Monitor	1 (33%)	2 (29%)	3 (30%)
Facilitator	2 (66%)	5 (71%)	7 (70%)
Policy Initiator	-	-	-
Total	3 (100%)	7 (100%)	10 (100%)

Note: All percentages have been rounded up.

Arizona and Colorado offer the most interesting look into legislative fiscal analyst roles. Overall, the facilitator role is most dominant for legislative fiscal analysts in Arizona. Two of four agency officials in Arizona selected solely the facilitator role as that which best characterized the fiscal analyst. However, the remaining two agency officials reported multiple roles for the analysts including both monitoring and policy initiating, although they reported that the primary role of the legislative fiscal analyst is facilitation. From the analyst perspective, none of the Arizona fiscal analysts reported policy initiation as the role that describes their relationship with state agencies even though they are responsible for providing budget recommendations regarding the state agency budget requests to the legislature.

In Colorado, all six of the agency personnel interviewed reported multiple roles for the analyst including monitoring, facilitating, and policy initiating. With respect to the agency personnel interviewed, these three roles received approximately the same percentage of responses, with a slightly higher response for policy initiation. It is important to note that Table 4.4 also reveals that the policy initiator role is selected most frequently in Colorado as opposed to the other states. However, four of the six agency personnel stated that the primary role is the facilitator role while only two stated that the primary role is the policy initiator. From the legislative analyst perspective, two of the three Colorado legislative analysts perceived some policy initiation on their part, but it is secondary to the facilitator and monitor roles. In fact, Colorado fiscal analysts are the only analysts in this study selecting the policy initiator role and they do so only as a secondary role.

This lack of policy initiation reported and perceived by both analysts and agency officials in Arizona and, to some extent Colorado, is somewhat puzzling given the fact that analysts in these states prepare and present budget recommendations to the legislature as the activity of developing budget recommendations is a component of the policy initiator role. As discussed earlier in the chapter, only one legislator in Arizona selected the policy initiator role and this role was secondary to the facilitator role. The sole legislator interviewed in Colorado, however, did select the policy initiation role as that which best describes analysts in her state.

Perhaps the most illuminating comments come from the legislative fiscal analysts themselves in terms of how they perceive their roles. The legislative fiscal analysts in Arizona do not perceive themselves as having a policy initiator role even though they prepare budget recommendations, one of the activities associated with this role. In responding to the interview question on the types of duties performed for the legislature, two legislative analysts commented:

> We provide technical support, not policy development for the chairs, who drive the policy. I initiate policy on behalf of the legislators. (Legislative Fiscal Analyst)

> I have a support role, a technical estimation role where I provide estimates and forecasts. There is not much policy orientation, we are not advocating for policy positions. (Legislative Fiscal Analyst)

As stated earlier, analysts in Colorado do perceive a policy initiation role, but it is secondary to facilitation. From the agency perspective, several specific comments from agency personnel in Arizona and Colorado point to analysts engaging in policy

initiation, but always on behalf of the legislature or in some cases, the agency itself. Comments from these agency officials included:

> The analyst is both a facilitator and policy initiator. He gathers information, and he would say that he does that, that he is a facilitator. But he also makes recommendations, when there is a legislative agenda either driven by one member or by some fiscal crisis, then he is a policy initiator. (Agency official)

> If the committee has something that they feel strongly about he [LFA] does try to move us [the agency] in that direction, but he does not come up with things himself. He initiates on behalf of the legislature. (Agency Official)

> At times, she [fiscal analyst] may be a policy initiator, if there are new things we are pushing, we would contact her and let her know about it, let her know about the budget impact so she could relay that to members. If we can convince her of the worthiness of our request, she would consider that in her recommendations. (Agency official)

Therefore, if the recommendations are perceived to originate from sources other than the analysts, the policy initiator role is not likely to be seen as a dominant role for these analysts. Also of importance to this discussion, is the overlap that appears in the roles. As stated earlier a majority of legislators and agency personnel reported multiple roles for the legislative analysts. Perhaps this is due in part to the fact that when analysts develop budget recommendations and present those recommendations to the legislators, it is perceived to be part of the facilitation role rather than policy initiation. Certainly, when analysts present their recommendations to the legislator, they are informing them of issues surrounding the agency's budget.

In summary, the most frequent response either separately or in concert with other roles is the facilitator role. Although no interviewee selected the advocacy

role, there are times when advocating for the agency may occur. Interestingly, while Arizona and Colorado analysts prepare budget recommendations for the legislature no Arizona analyst perceived a policy initiator role and two Colorado analysts selected the policy initiator role, but commented that it was secondary to the facilitator and monitor roles. Despite the reluctance of some legislative fiscal analysts to select the policy initiator role, two agency officials in Arizona and five agency officials in Colorado selected the policy initiation role in concert with one or more of the other analyst roles. Only in Colorado did two agency officials select the policy initiator role as the primary role for analysts.

Summary of Analyst/Agency Relationship

Not only are legislative fiscal analysts facilitators with respect to their role in the budget process, but also with respect to their role with state agencies. The facilitator role best describes the relationship between analyst and agency. Just as there are periods of heavy contact between analyst and legislator, the same is true between analyst and agency. The key periods in the budget process, the review of the agency budget requests and the development of budget recommendations, elicit the most frequent contact between analyst and agency personnel. The nature of this contact centers on the agency budget request and legislation or proposals that could impact the agency's budget. Facilitation goes both ways in this symbiotic relationship. Analysts and agency personnel use each other as sources of information. On the analyst side, state agencies are the starting point for getting clarification and justification concerning the agency budget request. On the agency side, state officials rely on analysts to keep them abreast of legislative activity concerning their agency's

budget and for disseminating key information regarding their agency to legislators. The relationship between analyst and agency is extremely significant and is reflected in the importance that agency personnel place in establishing a good relationship with the legislative fiscal analyst. The comments from each group give the impression that trust and respect is necessary so that each group feels comfortable accepting the information provided by the other. Almost half of the agency personnel commented that establishing a good relationship builds trust between the two groups. Trust enables the agency official to feel confident that the legislative fiscal analyst accurately and objectively communicates the agency perspective to the legislature. Further, trust is necessary so that analysts will have confidence that the agency is providing fair and accurate information. As key actors in the budget process, analysts and agency personnel must work together to respond to the various information requests by legislators.

Legislative Fiscal Analyst Relationships with Executive Budget Analysts

Legislative fiscal analysts and executive budget analysts perform similar functions for the legislature and governor, respectively. During budget development, the executive budget analyst reviews agency requests, gathers agency justification for those requests, and makes suggestions or recommendations to the governor. Once the governor's budget is presented to the legislature, budget analysts provide support, clarification, budget recommendations, and other information to the governor regarding legislative and agency budget initiatives (Thurmaier and Willoughby 2001). In the course of providing information to the legislature and the governor, legislative fiscal analysts and executive budget analysts interact with each other, typically

regarding a specific agency. Just as legislative fiscal analysts are responsible for a particular state agency or policy area, the work of the executive budget office is also divided up in this manner. In this study, the executive budget analysts interviewed corresponded to the same policy areas as the legislative fiscal analysts interviewed. Of the 12 executive budget analysts contacted, 11 agreed to the interview.

Legislative Analyst /Executive Analyst Contact

As one measure of interaction between legislative and executive analysts, each executive budget analyst was asked to identify by name, his or her legislative counterpart. All executive budget analysts interviewed correctly identified the legislative fiscal analyst responsible for the same policy area as the executive budget analyst.

Arizona analysts in both the legislative and executive branches report weekly contact, usually by phone, during the legislative session. At times, daily contact can occur, particularly at the point when the legislative analysts are developing their budget recommendations prior to the legislative session. Four of the six legislative and executive analysts interviewed from Arizona specifically indicated that the nature of contact centers on verifying numbers and discussing the assumptions used in arriving at various calculations and recommendations. Both legislative and executive analysts have the responsibility for preparing Medicaid caseload projections, prison bed projections, and estimates of the number of children in public schools. These analysts confer with each other on the assumptions used to develop those projections and to verify calculations.

In Kansas, both sets of budget actors reported at least weekly contact and at times, daily contact, during the session. Daily contact occurs during the period a specific bill is being discussed by the legislature that involves the policy area of the analysts. All three legislative analysts reported contacting the executive budget analyst to ask questions regarding the executive recommendation and to better understand the logic behind those recommendations. Also, one legislative analyst commented that he often calls his executive budget counterpart to get another perspective or opinion on a legislative proposal. The executive budget office may have a different perspective or have additional information that could shed light on the impact of a proposal. Executive budget analysts in Kansas are likely to contact the legislative analysts during the session to clarify a committee or chamber action or to verify that the appropriations bill was drafted correctly by the Revisor's Office, the legislative staff entity responsible for drafting the appropriations bill in Kansas. As one executive budget analyst commented, there is a great deal of language and numbers that comprise the appropriations bill and drafting mistakes can occur. If there is a mistake, the executive budget analyst contacts the legislative fiscal analyst who is responsible for correcting the bill.

Less contact occurs between legislative and executive analysts in Colorado. Two of the Colorado fiscal analysts commented that they rarely contact the executive budget analyst even when the analysts are preparing their briefings and budget recommendations for the legislature. The third Colorado legislative analyst reported contact with his executive budget counterpart at the point when he is developing the briefing document, but the nature of this contact centers on the legislative analyst

sending written questions to the executive budget analyst regarding the executive budget proposal. From the executive budget analyst perspective, only one Colorado budget analyst reported weekly contact with the legislative analyst, while the other two budget analysts interviewed described contact to be monthly or even less during the budget process. The interviews in Colorado indicate that contact between the legislative fiscal office and executive budget office is less frequent than contact in the other states, even during the peak periods where the legislative fiscal analysts are reviewing and analyzing the executive budget proposal and preparing their budget recommendations. In contrast, Arizona and Kansas legislative analysts and executive analysts reported daily or weekly contact with each other during analysis of agency requests.

Maine legislative fiscal analysts have patterns of contact with their executive budget counterparts similar to that reported by the Arizona and Kansas legislative analysts. During the session, this contact is likely to be weekly and at times monthly. Maine legislative analysts typically contact their executive budget counterparts for clarification on the agency request and executive recommendation. One analyst responded that the executive budget analysts have more detailed information about the agency budget requests than the legislative fiscal office. Although the legislative fiscal analysts rely on the executive budget office to supply them with detailed information regarding budget requests, the executive budget analysts interviewed reported less frequent contact with their legislative counterparts as two of the three Maine executive budget analysts reported little contact during the legislative session. When contact does occur, it centers on getting information about pending legislation,

clarifying actions taken in legislative hearings, or reporting an error in an agency request or appropriations bill.

In summary, the frequency and nature of the contact between analysts in the legislative and executive branch differs by state. Arizona analysts in both branches reported more contact with each other during the development of budget recommendations than the analysts in Colorado. Arizona analysts in both branches report working together, exchanging information, verifying numbers, discussing possible legislative or gubernatorial proposals, and sharing the assumptions used in preparing recommendations. In contrast, less contact is apparent between legislative and executive analysts in Colorado when agency requests are being reviewed and budget recommendations are being prepared. Legislative and executive analysts in Kansas report weekly and sometimes daily contact during the session with each group sharing information, answering questions, and informing the other on actions taken by the legislature and governor. Although Maine analysts report that they contact their executive budget counterparts at least weekly, the executive budget analysts report that they contact the legislative fiscal analysts much less frequently. However, one area of contact is similar among all analysts in the states. In all four states under study, contact decreases significantly during the interim as the two groups of analysts work on projects independently that typically do not involve contact with each other.

Legislative Analyst /Executive Analyst Relations

Legislative analysts were asked to report on the nature of the relationship with their executive budget counterparts. Legislative analysts were asked to describe their relationship with the executive budget analyst by selecting from four categories:

collegial, adversarial, neutral, or other. Although ten of 11 (91%) legislative analysts reported collegial relationships with their executive budget counterparts, at times adversarial or competitive relationships can arise. Three legislative analysts reported a collegial, but adversarial relationship due to the fact that they work for different branches of government. One legislative analyst explained that personally his relationship with the executive budget analyst is collegial, but structurally they are adversaries. The analysts are often on opposite sides of the issue due to different bosses with different agendas. Another legislative analyst reported a collegial but sometimes competitive relationship, with competition on the part of the executive budget analyst. Interestingly, all of adversarial or competitive comments were from legislative fiscal analysts in states where budget recommendations are provided to the legislature. The remaining legislative analyst (one of 11) reported a neutral relationship with his executive budget counterpart.

As previously discussed in this chapter, 82 percent of the agency personnel interviewed reported that a good relationship was very important to establish with the legislative fiscal analyst responsible for analyzing their agency's budget. However, less enthusiasm was exhibited for the importance of establishing a good relationship by the executive budget analysts. Obviously, agency personnel have a greater stake in establishing positive relationships with legislative fiscal analysts due to the analysts' responsibility for presenting agency budget requests, issues, and concerns to the legislators and in some cases, making budget recommendations for the agency. The relationship between legislative analysts and executive budget analysts, however, is one primarily of sharing information and verifying numbers. This is a relationship

that may benefit from being a positive one, but it may not be a necessity for the analysts to establish a good relationship in the course of fulfilling their roles for the legislature and governor.

Table 4.5 shows that 55 percent (six of 11) of the executive budget analysts reported that a good relationship was very important, while 27 percent (three of 11) reported that it was somewhat important and 18 percent (two of 11) reported that it was not important to establish a good relationship with the legislative fiscal analyst.

Table 4.5
Importance of Establishing a Good Relationship with LFA

Relationship	Executive Budget Analysts (n=11)
Very Important	55% (6)
Important	-
Somewhat Important	27% (3)
Not Important	18% (2)
Total	100% (11)

The relationships that exist between legislative analysts and their executive counterparts differ by state perhaps based upon legislative-executive authority in the budget process and personal connections between analysts. Some tension between the analysts is exhibited in the states where the legislature is a strong player in the budget process, particularly in Colorado. All three executive budget analysts in the Colorado, reported that it was only somewhat important to establish a good relationship with the legislative analyst and one executive budget analyst in Arizona reported that it was not important at all to establish a good relationship. Comments from these executive budget analysts included:

> Our relationship doesn't matter, my predecessors thought that it wasn't important and a waste of time. The [legislative] analyst has different objectives because he works for the legislature. He has too many bosses who have political agendas that may or may not be good for the agency or state. The analyst has to respond to this. Because of this, he doesn't have time to get out into the agencies to see what is going on. He doesn't always know what is happening with the agencies because of that. (Executive Budget Analyst)
>
> He (LFA) helps me to understand things. He helps me answer questions. But it is not essential to have a good relationship. We could have a relationship where I do my work and he does his and we never communicate with each other. (Executive Budget Analyst)
>
> We can both do our jobs without establishing a good relationship, but it is better to have a good relationship. (Executive Budget Analyst)

The relationships between the analysts in Colorado may reflect the strength of both legislative and executive staffs. Neither is reliant upon the other for information, therefore it is not necessary to establish a strong relationship with each other.

It is important to note that two of the three executive budget analysts in Arizona reported that it was very important to establish a good relationship with the legislative analyst. However, these responses came from executive analysts who had known the legislative fiscal analyst previously either in graduate school or in previous employment. Therefore, a friendship had developed between the executive and legislative analysts. During the interviews, both budget actors mentioned this friendship and the length of time that they had known each other.

In Kansas and Maine, four of the five executive budget analysts reported that it was very important to establish a good relationship with the legislative analyst. In contrast with Colorado and Arizona, no analyst from Maine or Kansas, either

legislative or executive, referred to the relationship as adversarial or competitive. Common responses from executive analysts in Kansas and Maine include:

> The relationship is very important because we work very closely with them. They give the initial presentations to the legislature on what is in the executive recommendations and agency requests. They know that they can call me and ask me questions on the budget, it helps everyone. If the relationship is adversarial, then They aren't as likely to call me. We can help each other. (Executive Budget Analyst)

> The relationship cannot be adversarial. We must work with each other, our relationship is very cooperative and collegial. The sharing of information is important, both sides can make mistakes, we can share information in advance. We do not surprise each other in committees, we do not embarrass each other in committee by not telling one or the other about something. (Executive Budget Analyst)

> We need to have a good working relationship. We need to get to know each other personally. I want to know if that person has integrity, if I can trust them. We share a lot of information, and trust and integrity are important.(Executive Budget Analyst)

> A good relationship is important because the Governor's Budget Office and the Legislative Fiscal Office must work together on the budget. They [analysts] are sources of information on how and why the legislature has changed the budget. We ask them what goes on in the committees. They ask for our help in determining the policy implications of proposed legislative changes. We have to have each other's help. (Executive Budget Analyst)

The lone executive budget analyst reporting that establishing a good relationship was not important was due to the lack of contact with his legislative counterpart. This particular executive budget analyst from Maine reported little contact with the legislative fiscal analyst during the legislation session and rare contact during the interim.

In summary, 55 percent of the executive budget analysts interviewed reported that establishing a good relationship with legislative fiscal analysts was very important. This is lower than that reported by agency officials. From the above discussion, the relationship between legislative and executive analysts could depend upon legislative/executive relations in the budget process and the personal connections between analysts. In those states where the fiscal offices are both strong, some competition may exist between the analysts. In this study, Arizona and Colorado analysts were identified as operating in "level one" offices where the preparation of budget recommendations are required of the analysts. In contrast, "level two" and "level three" fiscal staffs (Kansas and Maine) do not prepare budget recommendations. Therefore, because of the additional duty of preparing budget recommendations, the Arizona and Colorado fiscal offices are referred to as strong offices in relation to the executive budget office. This relationship could lead to competition among the legislative fiscal analysts and executive budget analysts as four of six executive budget analysts in Arizona and Colorado reported that it was only "somewhat important" or "not important" to establish a good relationship with the legislative fiscal analyst. However, two of the six analysts from these states reported a very good relationship with the legislative analyst, having known the analyst in a previous job and in graduate school. Therefore, personal relationships could overcome any adversarial issues related to a strong fiscal office. Similarly, the length of time on the job could increase the collegiality between the analysts as people who have known each other for some length of time perhaps are friendlier towards one another. Five of six executive budget analysts in the executive-budget

states of Kansas and Maine reported that it is "very important" to establish a good relationship with the legislative fiscal analyst. One executive budget analyst in Maine diverged from this sentiment. This particular analyst could not determine whether a good relationship is important due to his lack of contact with the legislative fiscal analyst.

Summary of Legislative Fiscal Analyst/Executive Budget Analyst Relationship

Relationships between the two budget actors vary among states and among analysts within the same state. While performing similar duties, each type of analyst has a different boss with a different agenda. This necessarily leads to some secrecy, competition, and disagreement between the two groups of analysts. In Colorado, where analysts are responsible for preparing budget recommendations for their respective bosses, competition, less interaction, and even secrecy surrounding the budget recommendations conditions the relationships. In Arizona and Kansas, analysts from both sides rely upon each other for information, to verify calculations, and to assess the plausibility of a proposal. Kansas analysts report very collegial relationships perhaps due to the fact that the legislative fiscal analysts do not make budget recommendations and therefore pose no threat to the executive budget staff. In Maine, a more lopsided relationship occurs where perhaps a weaker legislative staff is forced to rely on the executive budget staff for much of the information provided to the legislature. The relationship between legislative fiscal analyst and executive budget analyst, may in fact, mirror the relationship between the legislative and executive branches. Stronger legislatures allow their staffs a larger role in the

process, through the development of policy options and budget recommendations. This, in turn, may condition the relationship between legislative and executive staff.

Conclusion

This chapter described the frequency and nature of contact between analysts and other key budget actors, discussed the role of the analyst in the budget process and described the relationships that exist between analyst, legislator, agency personnel, and executive budget analysts. Legislative analysts have primary contact with chairs and members of the fiscal committees and provide them with information that is the basis for legislative decision-making on the budget. Therefore, the most useful kind of information provided by legislative analysts is that which offers a broad assessment of agency programs and services, explanation of the historical context of agencies and past decisions, and a review of problem areas or issues. Much of this information is provided to legislators during the budget process when the analyst provides her review and analysis of the agency budget request and if appropriate, presentation of budget recommendations. It is during these periods in the budget process where analysts and legislators report very frequent contact with each other.

Although the majority of analysts, legislators, and agency personnel selected the facilitator role as that which best describes the legislative fiscal analyst, other roles were cited reflecting the different duties performed by the analysts. Legislators in Kansas selected the facilitator role along with the clerical role indicating the importance of the Kansas analysts as the sole staff for the subcommittees. Likewise, Maine analysts are perceived primarily as facilitator, but engage in monitoring as

well. The Colorado legislator, some agency personnel and legislative analysts in Colorado selected the policy initiator role reflecting the analyst duty of developing budget recommendations. It should be noted that only the Colorado legislator selected the policy initiator role as the sole role for analysts. Less support for the policy initiator role was found for the Arizona analysts. Therefore, even though analysts develop budget recommendations in these states and this is one activity comprising the policy initiator role, the perception of analysts as facilitators is more significant than analysts as policy initiators. Furthermore, comments from analysts and legislators indicated that analysts do not provide advice or their own opinions to legislators.

Recognizing that legislative fiscal analysts are instrumental in providing information to legislators on agency programs and fiscal issues, the majority of agency personnel reported that it is very important for them to establish a good working relationship with the legislative fiscal analyst. The relationship between analyst and agency is symbiotic. Comments from analysts and agency personnel suggest a need for these budget actors to work together in responding to legislative inquiries and assisting in legislative decision making on the budget. Contact between analyst and agency is heavy during the periods where analyst review agency budget requests and make recommendations. This contact mirrors the point in the budget process where both analysts and legislators reported heavy contact with each other. However, legislative fiscal analyst contact with the executive budget analysts is not as uniform as the contact with the other budget actors. Differences in contact vary by state and by individual analyst, perhaps reflecting the legislative-executive

relationship in the budget process as well as personal relationships that arise among the analysts. Executive budget analysts, as a group, reported less importance in establishing a good relationship with the legislative fiscal analysts than agency personnel, although some individual executive budget analysts reported that it was very important to establish a good relationship with their legislative counterparts. A more independent relationship between the two types of analysts is apparent in Colorado where analysts there have less contact with each other than that reported by the analysts in the other three states under study.

Chapter Five will assess the influence of legislative fiscal analysts based upon perceptions of influence by the key budget actors. It will assess the congruence of Arizona and Colorado legislative fiscal analyst budget recommendations to that of the final legislative appropriations as an additional measure of influence in those states. Further, a review of the process of developing budget recommendations and the types of budget recommendations made will be discussed to assess any differences in this activity between the two fiscal staffs. Finally, Chapter Five will discuss the various factors that are assumed to impact the degree of influence as outlined in the model of legislative fiscal analyst influence presented in Chapter Two.

CHAPTER FIVE

Legislative Fiscal Analyst Influence in the State Budget Process

As discussed in Chapter Two, there is some expectation that legislative staffs are influential in the policy making process. There is both anecdotal evidence (Malbin 1980; Bisnow 1990) and empirical research (Balutis 1975b; Rosenthal 1974; Carey et al. 1998; Moncrief et al. 1996; Weissert and Weissert 2000) supporting this conclusion of influence. Although research indicates that legislative staffers are less important in the actual voting decision of legislators (Kingdon 1989; Songer et al. 1985; and Hurwitz 1988), a fair amount of research exists that supports the influence of legislative staff as information gatherers and agenda setters (Guston et al. 1997; Gray and Lowery 2000; Hammond 1990; Balutis 1975b).

While the above research points to the influence of staff at both the federal and state levels, staff at the state level might be in a better position to influence due to the time and expertise constraints placed on state legislatures. Part-time legislatures, high turnover due to term limits, and the increasing complexity of state programs, make staff support crucial at this level. In an effort to deal with these complexities and time constraints, legislatures began increasing the size of staff in the 1970s, particularly specialized staff such as "...fiscal, legal services, auditing and program evaluation, administrative rule review, media relations, computer services, and committee staff" (Pound, 1999, 29).

Further, legislative fiscal staff might be more influential than other legislative staff due to the complexity and technical nature of the state budget process (Weissert and Weissert 2000). Also, the power of particular staff often comes from the power

of their bosses (Salisbury and Shepsle 1981). The most powerful legislators are often those sitting on the money committees. Therefore, fiscal staffers may be perceived as more influential because they work for the most prestigious committees and members. Due to the complexity of the state budget, all 50 state legislatures now have budgetary staff and recent research has shown a growing parity between the executive branch and legislative branch in the state budgeting process (Abney and Lauth 1987 and 1998; Gosling 1985; Gosling 1994; Rosenthal 1981). Legislatures are now able to challenge the governor in budgetary matters due to the support of fiscal staff. For all of these reasons, legislative fiscal staff may be very influential in the budget process. This chapter will explore the perceptions of legislative fiscal analyst influence in the budget process, discuss differences in influence, and examine the variables conditioning the influence of legislative fiscal analysts.

A Model of Legislative Fiscal Analyst Influence

Chapter Two introduced the model of legislative fiscal analyst influence used in this study and provided a description of the variables assumed to condition the influence of legislative fiscal analysts. Figure 5.1 displays the variables introduced in Chapter Two that may condition the influence of legislative fiscal analysts in the budget process. The model includes a control variable representing the nonpartisan nature of the fiscal office where the analysts under study work. In addition, the model includes several independent variables thought to impact legislative fiscal analyst influence such as analyst duties for the legislature, tenure in position, expertise in a particular policy area, degree of contact with key budget actors, degree of discretion in providing information or budget recommendations to legislators, as

well as the size of the fiscal office. In addition, legislator experience and tenure in office may also impact the level of legislative analyst influence in the state budget process. The model in Figure 5.1 also shows the dependent variable used in this research, state budget policy influence. The dependent variable will be discussed in the next section where the discussion focuses on the degree of legislative fiscal analyst influence in the four states under study.

Figure 5.1
Model of Legislative Fiscal Analyst (LFA) Influence

Control Variable:

- Structure of fiscal staff office: Nonpartisan

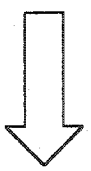
Independent Variables:

Legislative fiscal analyst operating environment

- LFA duties
- LFA tenure
- LFA expertise
- LFA staff size
- LFA contact with budget actors and visibility in budget process
- Level of discretion given LFA

Legislator inexperience or lack of knowledge

- Biennial budget cycle
- Term limits
- Tenure of legislator



Dependent Variable:

State budget policy influence

- Reported degree of influence by LFAs and other key actors
- Rankings of LFA influence compared to other key actors
- Congruence between LFA appropriation recommendations and final legislative appropriations

Findings of Legislative Fiscal Analyst Influence

Perceptions of Legislative Fiscal Analyst Influence

The dependent variable in this study is legislative fiscal analyst influence in state budget policy. Legislative fiscal analyst influence is measured in three ways. First, influence is measured by the reported degree of influence by legislative fiscal analysts and other key actors (legislators, agency personnel, and executive budget analysts) on an ordinal scale: very influential, influential, somewhat influential, and not influential. Second, influence is assessed by comparing legislative analysts with other key actors by having legislators, agency personnel, and executive budget analysts rank the influence of legislative fiscal analysts and other key budget actors on a scale of one to five, where one represents no influence and five represents high influence. The final measure of influence examines the acceptance of the analyst budget recommendations by the appropriations or budget committee and/or the legislature. This measure of influence is only applicable for those analysts in Arizona and Colorado who make recommendations to the legislature.

As stated above, one measure of legislative staff influence is based upon the perceptions of influence by the key budget actors in this study, including the analysts. In addition to questions regarding the general duties performed for the legislature and the types and usefulness of information provided, legislative fiscal analysts were asked to assess their own influence in the budget process. Legislative fiscal analysts were asked to rate their perceived influence in the budget process by selecting from several degrees of influence: very influential, influential, somewhat influential, or not influential. After the initial response by the legislative fiscal analyst, the interviewer

asked a series of questions to better understand this influence. Analysts were asked to comment on the source of their influence, the type of legislator influenced the most, and the primary point of influence in the budget process. Each of these issues will be discussed in this chapter.

In an effort to validate the legislative fiscal analyst responses, legislators, agency personnel, and executive budget analysts were asked similar questions regarding legislative analyst influence. Agency officials were asked to assess the influence of the analyst on the agency's budget request or recommendation by selecting from different degrees of influence: very influential, influential, somewhat influential, or not influential. Similarly, executive budget analysts were asked to assess the legislative analyst by selecting from the different degrees of influence.

Finally, legislators were asked to assess the influence of the analyst on their decision making on the budgets of the Corrections, Education, and Medicaid agencies. Due to the differences in committee structure among the four states under study, different types of legislators were interviewed. In Arizona and Kansas, appropriations subcommittee chairs and members responsible for the Medicaid, Education, and Corrections Departments assessed the fiscal analyst responsible for those areas due to the presence of subcommittees in these states. For example, the appropriations subcommittee chair responsible for reviewing the Education budget assessed the influence of the legislative fiscal analyst assigned to the Education budget. In Colorado and Maine, where there are no subcommittees, appropriations or budget committee chairs and members were asked to assess each of the three analysts responsible for the Medicaid, Education, and Corrections Departments. Therefore,

some legislators only assessed the influence of one analyst, while others assessed the influence of all three legislative analysts.

Table 5.1 shows the responses of all budget actors interviewed in this study and indicates that 42 percent of all respondents perceive legislative fiscal analysts to be very influential and 31 percent of all respondents perceive analysts to be influential. In other words, 73 percent of all respondents perceive legislative fiscal analysts to be very influential or influential in the budget process. However, there are differences among actors. Of the four groups interviewed, legislative fiscal analysts had the largest percentage of responses in the "very influential" and "influential" categories. Nine of the 11 legislative fiscal analysts (82%) reported that they were very influential or influential in the budget process, while two analysts from the same state reported no influence. Sixteen of 23 legislators (70%) responded that the fiscal analysts were very influential or influential, while 77 percent (17 of 22) of agency officials perceived analysts as very influential or influential. Executive budget analysts perceived the lowest levels of influence with six of eleven (63%) executive analysts reporting their legislative counterparts as either very influential or influential. Therefore, the perception of influence is the highest among legislative fiscal analysts, followed by agency personnel, legislators, and executive budget analysts.

Table 5.1
Perceptions of Legislative Fiscal Analyst Influence

Level of Influence	LFAs N=11	Legislators* N=13	Agency Personnel N=22	EBAs N=11	Frequency/ Percentage of Total
Very Influential	5 (46%)	10 (44%)	9 (41%)	4 (36%)	28 (42%)
Influential	4 (36%)	6 (26%)	8 (36%)	3 (27%)	21 (31%)
Somewhat Influential		7 (30%)	4 (18%)	2 (18%)	13 (19%)
Not Influential	2 (18%)		1 (5%)	2 (18%)	5 (7%)
TOTAL	11 (100%)	23 (100%)	22 (100%)	11 (100%)	67 (100%)

* The total number of legislators interviewed was 13. However, in those states with no subcommittees the individual committee member interviewed reported on the influence of each of the three legislative analysts responsible for the Medicaid, Corrections, and Education budgets.
Note: All percentages have been rounded up.

Although the majority of budget actors interviewed in the current study perceived the fiscal analysts as a group to be either very influential or influential, there are some noteworthy differences by state. Table 5.2 shows that the analysts receiving the highest percentage of "very influential" or "influential" responses are those analysts from Colorado (100%), followed by the analysts in Kansas (87%) and Arizona (79%). Maine analysts received the lowest percentage of responses in the "very influential" and "influential" categories at 43 percent. Further, Maine analysts had the largest number of responses in the "not influential" category at four out of 23 (17%) responses.

Table 5.2
Legislative Fiscal Analyst Influence by State

Level of Influence	LFAs	EBAs	Legislators *	Agency Personnel	Total Responses/ Percentage of Total
Arizona					
Very Influential	1 (33%)	1 (33%)		2 (50%)	4 (29%)
Influential	2 (67%)		3 (75%)	2 (50%)	7 (50%)
Somewhat Influential		1 (33%)	1 (25%)		2 (14%)
Not Influential		1 (33%)			1 (7%)
Total Responses	3 (100%)	3 (100%)	4 (100%)	4 (100%)	14 (100%)
Colorado					
Very Influential	3 (100%)	2 (67%)	3 (100%)	6 (100%)	14 (93%)
Influential		1 (33%)			1 (7%)
Somewhat Influential					
Not Influential					
Total Responses	3 (100%)	3 (100%)	3 (100%)	6 (100%)	15 (100%)
Kansas					
Very Influential	1 (33%)		1 (25%)	1 (17%)	3 (20%)
Influential	2 (67%)	1 (50%)	3 (75%)	4 (66%)	10 (67%)
Somewhat Influential		1 (50%)		1 (17%)	2 (13%)
Not Influential					
Total Responses	3 (100%)	2 (100%)	4 (100%)	6 (100%)	15 (100%)
Maine					
Very Influential		1 (33%)	6 (50%)		7 (30%)
Influential		1 (33%)		2 (33%)	3 (13%)
Somewhat Influential			6 (50%)	3 (50%)	9 (39%)
Not Influential	2 (100%)	1 (33%)		1 (17%)	4 (17%)
Total Responses	2 (100%)	3 (100%)	12 (100%)	6 (100%)	23 (100%)

* The total number of legislators interviewed is 13. However, in those states with no subcommittees the individual committee member interviewed reported on the influence of each of the three legislative analysts responsible for the Medicaid, Corrections, and Education budgets.
Note: All percentages have been rounded up.

Table 5.2 indicates that Colorado legislative analysts are clearly perceived among all respondents in that state to be very influential or influential, with 93 percent of the responses in the "very influential" category and no responses in the lowest two categories of influence. In contrast, Maine analysts have the lowest perceptions of influence with just 43 percent of responses in the "very influential" and "influential" categories, while 57 percent of the responses comprised the "somewhat influential" and "no influence" categories. These findings hold up after a review of the perceptions excluding analyst assessment of their own influence. Finally, when reviewing the data by state and by group, Colorado legislative fiscal analysts had higher perceptions of their own influence than other legislative fiscal analysts. Legislators in Colorado and Kansas ranked their analysts higher than legislators in the other two states when reviewing the number of responses in the very influential and influential categories. All agency personnel in Arizona and Colorado perceived the legislative analysts in their state as either very influential or influential representing more responses in these categories than the agency personnel responses in Kansas and Maine. Executive budget analysts in Colorado perceive their legislative counterparts to be more influential than the executive budget analysts in the other three states with 67 percent Colorado executive analysts responding that the legislative analysts are very influential. When reviewing the percentage of respondents selecting the highest categories of influence (very influential and influential), Colorado analysts are above all other legislative analysts among all key budget actors. Upon review of the perceptions of the key budget actors by policy

area, there are no patterns of analysts responsible for one policy area being perceived as more influential than analysts in another policy area.

Rankings of Legislative Fiscal Analyst Influence and Other Key Budget Actors

In addition to having the respondents assess their perceptions of legislative fiscal analyst influence, the legislators, executive budget analysts, and agency personnel interviewed in this study also ranked the influence of legislative fiscal analysts compared to other key budget actors. This ranking used a scale of one to five, with one corresponding to no influence and five corresponding to high influence. This measure is an interval level measure while the previous measure of influence used an ordinal scale based upon four categories of influence. Each budget actor, except for the legislative fiscal analyst, was asked to rank the legislative fiscal analyst in term of his/her influence on the (Corrections, Education, or Medicaid) budget in comparison to other budget actors on a scale of one to five. The other key budget actors in the ranking included legislative fiscal office director, executive budget director, executive budget analyst, governor, governor's staff, appropriation committee members, other members of the legislature, agency personnel, and lobbyists.

Table 5.3 indicates differences in influence among actors and states based upon the rankings. The rankings provide support for the perceptions of legislative fiscal analyst influence reported earlier in this chapter. Table 5.3 indicates that the appropriations committee and governor received higher average rankings than any other budget actor at 4.4 and 4.2 respectively.

Table 5.3
Average Ranking of Influence of Key Budget Actors by State

Key Budget Actor	Arizona	Colorado	Kansas	Maine	Average Ranking
Appropriations Committee	4.4	4.4	4.5	4.3	4.4
Governor	3.2	4.4	4.3	4.7	4.2
Legislative Fiscal Analyst	**3.9**	**4.5**	**4.5**	**3.0**	**3.8**
Executive Budget Office Director	3.2	3.6	3.9	4.1	3.9
Legislative Fiscal Office Director	4.0	3.4	3.4	2.5	3.3
Executive Budget Analyst	3.1	3.3	3.1	3.2	3.3
Governor's Staff	2.5	3.6	2.3	4.5	3.2

Table 5.3 also indicates that the executive budget office director and the legislative fiscal analysts were also ranked high at 3.8 and 3.9 respectively. When reviewing rankings by budget actor, legislators ranked legislative fiscal analysts higher than any other key budget actor except for the appropriations committee. Not surprisingly, agency personnel and executive budget analysts overall ranked the governor and executive budget office director higher than the appropriations committee and legislative staff. When reviewing rankings by state, legislative fiscal analysts in Colorado and Kansas are ranked higher than analysts in Arizona and Maine. Maine legislative fiscal analysts, as well as the fiscal office director, received the lowest average rankings among all the key budget actors in Maine. Further, the rankings in Maine suggest the governor is the most influential player in the budget process compared to other states, as the governor and his staff garnered the highest rankings of all the budget actors in Maine. These rankings support the perceptions of the key budget actors on the influence of legislative fiscal analysts presented earlier.

The table does not include the average ranking of agency personnel, lobbyists, and other members of the legislature due to the inability of those interviewed to provide a specific rank for these budget actors. Many of the respondents could not give a ranking but commented that the influence of non-appropriations committee members varied based upon the knowledge and individual power of that member. Similarly, many of those interviewed reported that some lobbyists and agency personnel are highly influential while others are not. For this reason, no overall average could be attained for these budget actors. Further, a review of the rankings does not show any patterns in rankings among the analysts in the three policy areas.

Comparison of Analyst Recommendations with the Legislative Budget Decision

The final measure of influence is the congruence between legislative fiscal analyst budget recommendations and the legislative acceptance of those recommendations. This measure of influence is only valid in Arizona and Colorado where analysts prepare budget recommendations for the legislature. Documents from each state were obtained showing legislative fiscal analyst budget recommendations, executive recommendations reflecting the governor's priorities, and final legislative appropriations in Arizona and Colorado. A comparison is made showing the percentage of the analyst recommendation accepted by the legislature. Tables 5.4 and 5.5 indicate that the budget recommendations made by the legislative fiscal analysts in Arizona and Colorado are not significantly changed by the legislature.

In Arizona, legislative fiscal analysts begin reviewing agency requests and executive recommendations in the fall, prior to the legislative session. The legislative

fiscal analysts consult with the chairs of the appropriations committee in each chamber as well as other appropriation committee members when developing their recommendations. These recommendations are presented to the appropriations committees when the legislature convenes in session as the Joint Legislative Budget Committee (JLBC) staff recommendations. Table 5.4 compares the legislative analyst recommendations with the executive recommendations and the final legislative appropriations for FY 2002.[1] Table 5.4 shows little percentage difference between legislative fiscal analyst recommendations and the executive recommendations for fiscal year 2002. Legislative fiscal analyst recommendations for the Departments of Education and Medicaid were higher overall than those of the executive, while the legislative fiscal analyst recommendation for the Department of Corrections was lower. The largest differences in recommendations were with the Departments of Medicaid and Corrections. In FY 2002, the legislative fiscal analyst total recommendation for Medicaid Department was 104 percent of the executive recommendation and in FY 2002, the legislative fiscal analyst total recommendation for Corrections Department was almost 97 percent of the executive recommendation. With respect to legislative acceptance of the recommendations offered by the legislative fiscal analyst, the results were mixed. In FY 2002, for the Corrections and Medicaid Departments, final legislative appropriations were closer to the recommendations of the executive than the recommendations of the legislative fiscal analyst. However, the legislative total appropriation for Education Department was closer to the recommendations of the legislative analyst than the executive.

Table 5.4
Arizona – FY 2002
Executive Recommendations, Legislative Fiscal Analyst Recommendations, & Legislature's Appropriation as a Percentage of Legislative Fiscal Analyst and Executive Recommendations

Agency	Executive	JLBC Staff	JLBC as % of Executive	Legislature's Appropriation	Legislature as % of JLBC	Legislature as % of Executive
Corrections	581,628,900	575,867,700	99.01%	597,015,800	103.67%	102.65%
Education	2,964,933,800	3,006,500,700	101.40%	3,002,040,800	99.85%	101.25%
Medicaid	2,347,033,800	2,439,874,400	103.96%	2,365,570,600	96.95%	100.79%

Source: Executive and JLBC budget recommendations from the *Proposed FY 2002 Budge-January 2001.* Available at www.azleg.state.az.us/jlbc/02recbk/recbktoc.pdf accessed on November 14,2001. Legislature's appropriation from the *FY 2002 Appropriations Report-June 2001.* Available at www.azleg.state.az.us/jlbc/02app/02toc.htm accessed on November 14, 2001.

The process of developing recommendations in Colorado differs from that in Arizona. Colorado analysts begin preparing their recommendations for the legislature during the legislative session and typically present those recommendations in March. Table 5.5 shows little percentage difference between legislative fiscal analyst recommendations and those from the executive. Legislative fiscal analyst total recommendations for the Departments of Education and Medicaid were higher overall than those of the executive, while the legislative recommendation for the Department of Corrections was lower. This same phenomenon was also apparent in Arizona. In Colorado, the largest percentage difference among the recommendations occurred in the Department of Corrections where the legislative fiscal analyst total recommendation was approximately 98 percent of the executive recommendation.

With respect to legislative acceptance of the recommendations offered by the legislative fiscal analyst, recommendations by the legislature were more similar to the

recommendations of the legislative fiscal analysts than the executive recommendation. Although the percentage difference among all of the recommendations in both states is small, it appears that legislative analyst recommendations in Colorado are closer to the final legislative appropriation than their counterparts in Arizona.

Table 5.5
Colorado – FY 2002-2003
Executive Recommendations, Legislative Fiscal Analyst Recommendations, & Legislature's Appropriation as a Percentage of Legislative Fiscal Analyst and Executive Recommendations

Agency	Executive	JBC Staff	JBC as % of Executive	Legislature's Appropriation	Legislature as % of JBC	Legislature as % of Executive
Corrections	571,416,143	562,720,886	100.45%	562,287,191	99.92%	98.40%
Education	3,067,027,994	3,098,748,825	101.03%	3,105,105,322	100.21%	101.24%
Medicaid	2,109,330,352	2,116,952,948	100.36%	2,151,959,887	101.65%	102.02%

Source: Executive recommendations and JBC staff recommendations from *Figure Setting Document-March 2002* and Legislature's appropriation available at *Long Bill-General Appropriations Act* available at www.state.co.us/gov_dir/leg_dir/jbc/jbcstaffdocs.htm accessed on July 13,2002.

Staff documents showing analyst budget recommendations for the Corrections, Education, and Medicaid agencies indicate that recommendations can be broken down into two categories: technical recommendations and policy recommendations. Technical recommendations include uniform or standard changes to employee salaries, merit or performance pay, operating expenses, employee travel, rent, and health insurance. Staff documents in Arizona and Colorado describe the method used by the analysts in calculating these items for the budget

recommendations. In Arizona, these changes are referred to as "standard changes" and in Colorado they are referred to as "common policy."

Policy recommendations include increases or decreases in programs and/or services. Examples of this type of recommendation include increases or decreases in funding for programs due to demographic changes, expansions of existing programs and/or services, and recommendations for new programs and/or services. Analysts in both states make this type of recommendation. Adjustments in funding for programs and services due to demographic changes are common in both states among the three policy areas. For example, the legislative fiscal analysts responsible for Medicaid recommended both increases and decreases in funding for various programs due to changes in the number of individuals expected to enroll or become eligible for those programs. Likewise, one analyst responsible for the Corrections Department recommended a decrease in funding for prison operations due to his projections showing a decrease in inmate growth. For the analysts responsible for making recommendations regarding public school aid, these recommendations are almost solely based upon enrollment projections where growth is based upon the number of Average Daily Membership (ADM) students attending public schools in the state.

Expansions in existing programs can also be found among the analyst policy recommendations. One analyst in charge of the Medicaid agency recommended an increase in a program to provide Medicaid services to eligible students during the school day to take advantage of enhanced federal funding for this population. An increase in funding due to enhancements in federal grants for specific populations or programs is a common reason for analyst recommendations in the Medicaid and

Education Departments. Another analyst recommended expanding a Medicaid fraud unit in order to reap future savings. Demographic changes are the driver in many of the analyst recommendations in the three policy areas. Analyst comments with respect to their duties for the legislature supports this review of the budget recommendation documents. When describing their duties, these analysts reported that estimating and calculating enrollment, number of recipients eligible for services, number of beds needed for inmates, reviewing changes in existing programs and the impact on funding as important aspects of their job. These activities are done when the Arizona and Colorado analysts review and evaluate agency budget requests and then prepare the budget recommendations for the legislature. See Appendix C for examples of technical and policy recommendations made by the Arizona and Colorado legislative fiscal analysts.

In summary, 73 percent of the respondents in this study reported that legislative fiscal analysts are either "very influential" or "influential." As a whole, the legislative fiscal analysts interviewed perceived their own influence as higher than the other budget actors. Executive budget analysts perceived the lowest levels of legislative fiscal analyst influence. There are differences in influence by state, where analysts in Colorado received the highest perceptions of influence and analysts in Maine received the lowest perceptions of influence. Rankings comparing legislative fiscal analyst influence to that of other key budget actors support the perception findings. When reviewing the congruence between analyst budget recommendations and that of committee and legislature, few overall differences exist. However, the

final legislative appropriations are more closely aligned with the recommendations of the Colorado legislative fiscal analysts than the Arizona legislative fiscal analysts.

Control Variable

In this study, all fiscal offices under study were nonpartisan. Nonpartisanship refers to fiscal analysts who work for legislators of all political parties as well as legislators in both chambers. In this study, nonpartisanship was identified in the model of legislative fiscal analyst influence as a control variable. Because all of the legislative fiscal analysts work in a nonpartisan office or for a joint committee, it was expected that this variable would be an equal source of influence on the analysts in all four states. In general, that assumption appears to be true. However, there is some variation among the responses of the key budget actors regarding nonpartisanship and legislative fiscal analyst influence. Several key budget actors responded that the nonpartisan nature of the staff is a reason for analyst influence. As stated earlier, as nonpartisan staff, analysts are required to provide information to legislators of all parties in both chambers. Nonpartisanship also implies that the analysts do not interject their own views or policy orientation when providing information. This research provided evidence in Chapter Four that the legislative fiscal analysts in this study scrupulously avoided interjecting their own views and providing advice to legislators. It is the provision of objective information that was cited as a source of influence by 12 of the key budget actors in this study with five of the 12 comments coming from legislators. Some of these comments included:

> They are influential because the information that they give us is important, but they don't try to influence our priorities on the budget at all, they leave that up to us. (Legislator)
>
> They are supposed to be neutral. She [LFA] does a good job of this. Here in [state], we don't have a problem with analysts pushing policy. (Agency Official)
>
> They are influential due to the information they give. Analysts are perceived to be neutral, nonpartisan. Great resource for both sides of the aisle, we are all dependent upon their information. They have the corporate memory, but don't give us policy recommendations, the information they provide is not biased and it is instrumental in our decision-making. (Legislator)
>
> Very influential. They are also seen as just presenting the facts, and not trying to convince them of something. When she presents the issues, she is presenting the facts as she sees them. She tries to get all sides of the story. (Agency Official)
>
> I believe that they try to provide good information. They are not biased. Good information is what you need to make good decisions. Their influence is by providing objective information. (Legislator)

However, three key budget actors reported that influence is limited due to the nonpartisanship exhibited by staff. Some agency officials commented:

> I think she could be very influential, the committee relies on their staff. But [LFA] does a good job of presenting the facts and letting the committee decide for themselves what to do. But I think she is less influential because she presents the facts and lets committee decide for itself, she doesn't present just one side. Because I think she goes to a great extent to make the committee to make decisions for themselves, she is not influential. (Executive Budget Analyst)
>
> They aren't influential. They aren't policy staff. (Agency Official).

Although originally identified as a control variable, the nonpartisan status of the analysts may be an independent variable conditioning the influence of legislative fiscal analysts due to the variation in the comments from some of the key budget

actors. Future research should consider the nonpartisan status of legislative fiscal analysts as a potential factor in analyst influence.

Reasons for Legislative Fiscal Analyst Influence

It has been established that legislative fiscal analysts are perceived to be influential by the key budget actors, although the degree of influence varies among the states, with Colorado and Kansas legislative fiscal analysts exhibiting greater influence than their counterparts in Arizona and Maine. The next part of the research examines the variables conditioning the degree of legislative fiscal analyst influence. This section relies upon the comments from the key budget actors presented in this chapter as well as comments from Chapters Three and Four to explore the types of legislators influenced and how and why legislative fiscal analysts in this study are influential.

In an effort to discover the types of legislators influenced the most by legislative fiscal analysts, the interviewer asked legislative fiscal analysts to select the type of legislator influenced the most from the following list: individual members of the legislature, committee members, committee chair, caucus leader, member of a particular political party, members in one chamber as opposed to the other chamber. As stated in Chapter Four, the legislative fiscal analysts in this study report having contact with and working primarily for the chairs and members of the fiscal committee(s) in their state legislature. Therefore, one assumes that chairs and members of the fiscal committees would be reported as the legislators who are influenced the most by the legislative fiscal analysts. This assumption is supported

through the comments made by the legislative fiscal analysts when they were asked to select the type of legislature they influence the most.

All three Arizona analysts reported influencing appropriation committee chairs and subcommittee chairs the most, then appropriation committee members. Colorado analysts reported influencing all members of the Joint Budget Committee equally, no doubt due to the small size of this six-member committee. Two of three Kansas analysts reported influencing members of the fiscal committees the most, second was committee and subcommittee chairs. One Kansas analyst reported primarily influencing the subcommittee chair, then secondary influence with the committee members. Maine analysts reported influencing committee members, however, both analysts were hesitant to say that they have influence at all. When asked to assess their own influence in the budget process these analysts perceived no influence on their part and were reluctant to answer any questions regarding their influence in the budget process. With the exception of the Arizona analysts who reported influencing committee and subcommittee chairs the most, the remaining analysts reported primarily influencing all committee members. Therefore, comments from these analysts on the type of legislator influenced the most parallels the type of legislator that they report having the most contact with and doing the most work for.

Legislative Staff Duties

As discussed in Chapter Three, the general duties of the legislative fiscal analysts in this study are similar. Analysts in all states are responsible for providing general and specific information on agency programs, services, and budgets.

However, some differences exist in the areas of budget recommendations and the provision of policy options. Analysts in Arizona and Colorado work in fiscal offices that provide budget recommendations to committees. Analysts in Kansas routinely provide budget options or alternatives to individual members or committees, but do not have authority to develop budget recommendations. Maine analysts are responsible primarily for analyzing budget requests and preparing fiscal notes for the appropriations committee. Maine analysts do not develop budget recommendations and generally do not offer policy options to legislators. According to the model of legislative fiscal analyst influence, it is assumed that Colorado and Arizona analysts would have higher perceptions of influence due to their budget recommendation duties.

As discussed earlier in this chapter, Colorado analysts were perceived to be the most influential of all the analysts in this study, therefore, providing support for the assumption in the model. However, Arizona analysts had lower levels of perceived influence than analysts in Kansas, where no budget recommendations are prepared for the legislature. In addition, a review of the congruence of legislative appropriations with legislative fiscal analyst recommendations in Colorado and Arizona showed that the final legislative appropriations were closer to the recommendations of the Colorado legislative fiscal analysts than the Arizona legislative fiscal analysts, although the differences were small. To assess whether staff duties condition influence, key budget actors were asked to explain how and why the legislative fiscal analyst is influential. These comments were examined for linkages between staff duties and influence.

Legislative fiscal analysts were asked why they are influential in the budget process. Of the nine analysts reporting that they are influential in the budget process, different types of reasons were given for that influence. Comments from these analysts included:

> I am very influential because after eight years, there are few people who have the knowledge of the funding for [agency]. There are many layers of law and it is very complex. There is no way legislators can understand it and with high staff turnover in the legislature and in the [agency], I am viewed as knowledgeable. I have knowledge of the programs. We are also influential in the fiscal notes, lots of sway over the fiscal notes. If a bill has a big price tag, very hard to get it through the process. We identify the potential fiscal implications of bills. (Legislative Fiscal Analyst)

> I am influential. For instance, there may be a misunderstanding over something in the governor's budget. So I say, what they [agency] are really doing is... So by clarifying things and providing technical information, I am influential. (Legislative Fiscal Analyst)

> I am very influential because of the number of recommendations that they [committee] go along with. I had one recommendation that varied this year, others were accepted. They almost always accept and the legislature almost always accepts the [committee] recommendation. I start the bidding. The department puts their agency request forward, this is the baseline, then I bring in my recommendations, then the committee responds to me. (Legislative Fiscal Analyst)

> I am influential because of my role to identify issues and analyze agency requests and executive recommendations. We are not very influential, we are one source of information, but because we condense it and provide analysis and zero in on what is important, we are influential. (Legislative Fiscal Analyst)

> My job is to know what is going on to facilitate decision making. I am a source of information when they aren't in town. Keeping them updated. You build up expertise to provide that information. We are non-partisan staff, but we aren't "non-talkers." When the governor or agency tries to convince them [legislators] to do something, we speak up and tell members of possible problems. We are not advocates of a particular side but advocates for informing members. (Legislative Fiscal Analyst)

> We are influential because we are responsible for pointing out areas of concern or what they should be aware of in each agency budget. (Legislative Fiscal Analyst)

Among these comments, there are some differences among states that should be identified. In Colorado, all three legislative fiscal analysts interviewed responded that they are influential because of the preparation of budget recommendations for the committee. In addition, two of these analysts also commented that influence comes from providing information. In contrast, only one analyst in Arizona specifically mentioned the development of budget recommendations as a reason for influence, but all three analysts commented that other factors are reasons for influence such as knowledge of agency and agency programs, clarifying issues for legislators, providing general information, and preparing fiscal notes. These comments suggest that in those states where budget recommendations are made, this specific duty can be a reason for influence, although this view is more prevalent among the Colorado analysts than the Arizona analysts. More important, however, is the fact that the majority of analysts in all states responded that the reason for their influence is based upon their knowledge of agency programs, ability to provide general information, and to identify issues and concerns for legislators. Interestingly, the analysts from Maine reported that they are not influential in the budget process. No other analyst in any other state commented that they have no influence in the budget process. Comments from the Maine analysts included:

> I have no influence at all. I'm trying to give them the facts. If the facts tell a story or lead them to make a decision then that is their decision. But I don't know if the information that I provide influences them. There are other sources of information, others who are more influential, such as lobbyists. We present the facts. I do not influence at all. (Legislative Fiscal Analyst)

> I am not influential. As an analyst, I do not have much influence over the entire budget or the [agency] budget. However, legislators heavily rely upon my analyses of certain items in the budget and the information that I provide. I communicate pertinent information to the applicable House or Senate Chair that might assist in the debate. (Legislative Fiscal Analyst)

Therefore, even though Maine analysts appear to have similar duties when compared to analysts in the other states under study, they do not perceive any influence associated with those duties. This lack of perceived influence by analysts in Maine is supported by other key actors in that state. Maine analysts had the lowest degree of influence among all of the analysts in this study, particularly among agency personnel and executive budget analysts.

To assess whether staff duties condition influence, other key budget actors were asked to explain both how and why the legislative fiscal analysts are influential. Legislators in this study were asked to describe how legislative fiscal analysts are influential in the budget process. When reviewing legislative responses to how the legislative fiscal analyst is influential, all legislators interviewed responded that the provision of information is how the analyst is influential. Even in those states where analysts prepare budget recommendations, none of the legislators interviewed specifically mentioned budget recommendations as a method of influence. Some legislative comments included:

> They provide us with all kinds of information. [Legislator]

> The analysts are instrumental in providing information that is essential to our decision making on the budget. [Legislator]

> Because of the detailed information that they provide us. [Legislator]

> Because we rely on them for almost all of our information, that is how they are influential. [Legislator]

From the legislative perspective, these comments indicate that the analyst as an information source is important in determining how an analyst is influential. When asked why the legislative fiscal analyst is influential in the budget process common responses also appear. These comments indicate that there is some overlap between how and why analysts are influential. The provision of information seems to be important in how and why legislative fiscal analysts are influential. The fiscal analyst as an information provider was cited by 10 of the 13 legislators (77%) interviewed in this study as a reason for influence. Some legislator comments included:

> They are influential because we rely on them for almost all our information, more so than the agencies. (Legislator)

> We are a citizen legislature where members do not have time to know or understand every issue. They crank out an astonishing amount of information. They never say we can't do that or that we can't have that done in time. They are very bright. They are diligent in pursuing every question a member has. They are a godsend! (Legislator)

> Because they say this costs X amount. They provide the basic information. They can verify the agency information, although they can say that they don't agree with the agency, we have to take their word for it. They give us the statistics. They do track expenditures during the session, we have to have a balanced budget, and they keep track of the totals to make sure that we balance in the end, to bring the budget into balance. They also give us information on whether or not an agency can do something according to statutes. They let us know if an agency request violates statute, although I think they often go to the Attorney General's office to get this information. (Legislator)

> Legislators want information to make decisions with, they do not want to be blindsided, they want the truth from analysts and expect analysts to be truthful. (Legislator)

> They are very influential in the sense that they are providing information to us. They shape the information. (Legislator)

Comments from agency personnel on how analysts are influential in their state largely support the comments of the legislators. However, comments from the agency personnel in Colorado and Arizona place more emphasis on budget recommendations as a source of influence than the legislator comments in these states. Agency personnel in Arizona and Colorado commented:

> She [LFA] is influential because she does prepare a draft of our recommendations. She isn't "very influential" because if the legislature doesn't like something that she recommends, I don't think that they would go for it. She does evaluate our requests and provides a lot of information to the committee, she is influential here. And if she makes a mistake in the appropriations bill, it might not be corrected by the legislature and we would have to live with it. (Agency Official)
>
> He is very influential. If we don't want something and he does, then his budget recommendations get done. From my observation, the legislature accepts his recommendations for the most part, although I can't give you an acceptance rate. It is my observation that the legislature depends upon him to provide a lot of information for them. (Agency Official)
>
> He [LFA] is influential. The legislature seems to respect him. He is a good presenter of information, he grasps subjects quickly, they rely on him, but I would like to see him be more influential in terms of investigating our agency and programs and making recommendations. The way our process works is that we [agency] make our requests and send them to the governor's budget office, then the OSPB analyst and JLBC analyst negotiate a recommendation. They work together, they have discussions and communicate amongst themselves. (Agency Official)
>
> The analyst is very influential. He makes the recommendations and they are accepted by the committee ninety-five to ninety-nine percent of the time, seldom are they challenged. His recommendations are seldom ever overturned by the committee. The information we [agency] give him and the lobbying we do with him pays off in spades. (Agency Official)

> She is very influential. Ninety-five percent of what she recommends is accepted by the legislature. She makes recommendations to legislature and she decides how to package them. Recommendations are always subjective in putting together. (Agency Official)
>
> He is very influential because he makes the budget recommendations on the entire department's budget. There are some 20 separate decision items that he makes recommendations on. I may by successful at going around him on 2-3 issues, but he will set that budget. He is ninety-eight percent successful at getting committee to go along with his recommendations. (Agency Official)

These comments indicate that agency personnel in Arizona and Colorado are aware of the budget recommendations made by the analysts and believe that they are a source of influence for the analyst because most budget recommendations made by the analysts are accepted by the legislature. Agency comments are supported by the comparison of analyst recommendations with final legislative appropriations discussed earlier in this chapter showing little difference between those recommendations and the final legislative appropriation. Within the agency comments reported above, there are some distinctive comments worth noting. Several agency personnel in Arizona, in addition to pointing out the significance of budget recommendations, also stated the importance of the analyst as an information provider and the fact that legislators rely upon that information. Also, one agency official in Arizona even commented on the desire to see the analyst be more proactive in making recommendations regarding the agency budget. This official described a process where the analysts in both the executive and legislative branches work together to develop the final recommendation for the agency. In contrast, the comments by agency personnel in Colorado were very clear that the budget recommendations and the high acceptance rate of those recommendations were how

the analyst is influential with one official actually commenting that the agency lobbies the analyst for a good recommendation. The process of developing budget recommendations in Arizona and Colorado will be discussed later in this chapter to assess whether any differences in that process could perhaps condition the level of influence of the legislative fiscal analysts.

Agency comments from the other states under study largely reflect the importance of analysts as information providers. When asked how the legislative fiscal analyst is influential, agency personnel in Kansas and Maine responded:

> She provides clarification for them [legislature]. She provides them with information on our budget. (Agency Official)
>
> She provides information to the members when she briefs them during committee meetings. [Agency Official]
>
> He [analyst] is a major source of information for the legislators. (Agency Official)
>
> How the analyst is influential is due to the enormous amounts of information that she gives to legislators. [Agency Official]

Therefore, in those states where the analysts prepare budget recommendations, agency personnel, as a group, most often link the development of budget recommendations as a method of legislative fiscal analyst influence. This is probably due to the awareness of agency personnel of the specific recommendations made by the legislative analysts that could directly impact their agency. However, information provision also appears in the comments as a method of legislative fiscal analyst influence in Arizona as well as in Kansas and Maine where no budget recommendations are prepared by the analysts. Therefore, these comments provide

support for the comments made by the analysts and legislators that the provision of information is an important method of influence.

Agency officials were also asked to discuss why the legislative fiscal analyst is influential. Thirteen of the 21 agency personnel (62%) reporting at least some influence on the part of analysts specifically identified some aspect of information provision as a reason for legislative fiscal analyst influence. As with the legislative comments, these comments indicate that there is some overlap between how and why analysts are influential. The provision of information seems to be important in both how and why legislative fiscal analysts are influential. Responses by agency officials included:

> Committee members look upon their analysts as people who get the "straight story." They (staff) are seen as the right arm (of the legislature) to make sure executive branch is giving them the full and accurate story. (Agency Official)

> Their role is providing information to the appropriations committee. They are influential not because they are supporting a particular outcome, but because they provide information. Most of their revisions are technical, not that we should put more money here or there. Example. A legislator who wanted a program in his region funded, but this was not a high priority in our budget. He got a separate initiative (bill) to fund it and we identified some existing funds for this purpose. The LFA required in the budget document that the money we would be contributing should be subtracted from one account and re-appropriated for this specific purpose. This is the kind of involvement that they have. (Agency Official)

> They respond to requests for information. Anytime there is a request for information whoever provides it can frame things in any way that they want to. In the process of framing it, you can directly or indirectly influence, in how you frame questions and answers, you can bias what people look at. (Agency Official)

> They (analysts) make choices about how they present information, how they choose their words, how they present information they get from our analysis of the budget. They can be influential here. (Agency Official)

> The fiscal analysts are very influential in the information that they provide. They decide what issues to elevate to the committee's attention and what not to elevate. The committee always asks the analyst what they think. Nine times out of ten they (committee) goes with what the analyst says. (Agency Official)

> Also, they do have great deal of involvement in fiscal impact statements on any legislation that affects us. They are helpful in identifying the potential fiscal implications of bills. And they are influential, even controlling, in allowing or disallowing certain costs to be specified in the fiscal impact statements. Example. There was one bill that we thought would require some future costs, but no immediate costs. We wanted to show in the fiscal impact statement the future costs, but the LFA said to show no costs in the fiscal impact statement because there would be no cost for this biennium. They are much more involved in the fiscal impact statements than anything else. (Agency official)

These comments indicate that agency officials are aware of the influence of analysts as significant sources of information for legislators, particularly with analysts determining the types of items to elevate to the attention of legislators, or identifying and focusing on certain issues. By providing information and framing the issues, agency personnel perceive legislative fiscal analysts to be influential. This awareness by agency personnel that analysts are influential because they can shape or frame an issue or legislative discussion can be linked to the large majority of agency personnel citing the importance of establishing a good relationship with the analyst. Establishing a good relationship with the analyst is essential is guaranteeing that information regarding the agency will be accurately presented and defined by the analyst before the legislative committee.

Executive budget analysts were also asked to describe how the legislative fiscal analyst is influential in the budget process. Due to differences among the analyst comments in the four states under study, each state will be reviewed

separately. Of the two Arizona executive budget analysts reporting some degree of influence, the comments included:

> [LFA] is very influential in the budget process. He makes the recommendations to the legislature. We share a lot of information when we are both making our recommendations. The legislative fiscal analyst can be instrumental in supporting the executive budget proposal during the legislative budget review process. (Executive Budget Analyst)

> The analyst [LFA] is somewhat influential. She does make recommendations but with Medicaid, it is basically an entitlement program and caseload driven. It is good for our forecasting to not be too far apart. We try to be within a reasonable range that everyone can agree on. In the fall, when we are both developing the budget, we develop our own recommendations separately, but then we have phone conversations to ask each other about our assumptions and justifications for our recommendations. We have an informal conversation. We may go line by line and discuss how we came up with our recommendation. I am influential in getting her to go along with my recommendations, sometimes more so than the agency. We are usually very close on caseload. The major differences are usually in the area of administrative costs, computers, etc. We [executive budget office] always have higher numbers for administration. (Executive Budget Analyst)

These comments indicate that budget recommendations can be how the analyst is influential. There is communication between the legislative fiscal analysts and executive budget analysts when developing recommendations suggesting that the two types of analysts work together consulting and conferring on the recommendations. Further, the comments indicate that each analyst tries to get the other one to accept their recommendations. Again indicating that these analysts communicate their thoughts and rationale for the recommendations to each other.

All three executive budget analysts in Colorado stated that budget recommendations are how the analyst influences the budget process. Comments from the executive budget office included:

> He is very influential. Nine times out of ten the committee goes with what the analyst [LFA] says and they accept the analyst [LFA] recommendations. (Executive Budget Analyst)
>
> She is very influential. She [LFA] makes recommendations on each line item. She even made a recommendation to change the budget format for the education budget. The committee almost always accepts the recommendations of the analyst. (Executive Budget Analyst)
>
> Influential. She's making the budget recommendations to the legislature on the budget that we submit, she's got some power there. (Executive Budget Analyst)

Executive budget analysts in Kansas and Maine responded in a similar fashion as did the legislative analysts, legislators, and agency personnel in those states when asked to describe how the legislative fiscal analyst is influential. The executive budget analysts in these states indicated that how a legislative fiscal analyst is influential is linked to information provision. One executive budget analyst commented:

> By providing information. She is very influential in providing committee with information, she provides a great amount of information to the committee. (Executive Budget Analyst)

As discussed earlier in this chapter, all respondents in Colorado stated that the legislative fiscal analysts are either very influential or influential in the budget process. Each of the key budget actors in Colorado perceived higher levels of influence for legislative fiscal analysts than the budget actors in Arizona. Although

the perception of influence of the Arizona analysts is quite high with 79 percent of the respondents reporting that the analysts are either very influential or influential, the fact that Colorado and Kansas analysts are perceived to be more influential suggests that the mere development of budget recommendations is not the only source of influence.

For those analysts in Arizona and Colorado, comments from the key budget actors suggest that the provision of budget recommendations is an important reason for legislative fiscal analyst influence for some of the budget actors interviewed, but not all of the respondents. Most of the comments from the key budget actors indicate the importance of analysts as general information providers. In an attempt to further explain why Colorado analysts are perceived to be more influential than Arizona analysts even though both analysts have the same primary duty of developing budget recommendations, an analysis of the process of developing budget recommendations is presented. If the process of developing budget recommendations is different between the two sets of analysts, then perhaps those differences could condition the degree of influence. Some differences between the two states have already been discussed. Comments by the Arizona legislative analysts and executive analysts in this chapter and in Chapter Four indicate that the two types of analysts have a significant amount of contact with each other during the development of budget recommendations. Each analyst seems to be aware of the recommendations made by the other and is willing to share that information and discuss the rationale behind the recommendation. This does not seem to be the case with the Colorado legislative and executive analysts.

In addition to commenting on how legislative analysts are influential in the budget process, the Arizona executive budget analysts were probed further about the development of budget recommendations. Two of the three analysts made reference to the fact that the legislative fiscal analyst recommendations are based upon small revisions to the executive budget office recommendation. These comments included:

> We [executive budget office] make many recommendations that he looks at and revises. The two recommendations are usually not very far apart. (Executive Budget Analyst)

> We give them the recommendations and they give pots shots at them, they modify it a bit and call it theirs. In the middle of December, we give them our recommendations, we talk earlier in the fall to let them know what we are doing. (Executive Budget Analyst)

As discussed earlier in this chapter, two types of recommendations are made by the analysts in Arizona and Colorado: technical recommendations and policy recommendations. Technical recommendations are those uniform or standard calculations made to salaries, operating expenses, and other items. Policy recommendations refer to funding changes in programs and/or services. Perhaps if the policy recommendations that change program funding due to demographic projections are perceived by some to be technical recommendations then this could impact the degree of influence. Although the review of the types of budget recommendations made by analysts in both states appears to show similar types of recommendations being made, if key budget actors in one state perceive those recommendations to be technical in nature, this could condition the perception of legislative fiscal analyst influence in that state. Some recommendations may not be perceived as leading to influence if they are viewed as routine or technical. The

Medicaid budget could be an example of an agency where budget recommendations are driven by caseload and therefore, the recommendations are more technical in orientation rather than policy oriented. One executive budget analyst commented:

> There are usually never questions on forecasting the caseloads which is what the analyst [LFA] does. She makes technical recommendations. They are recommendations having to do with the budget for inflation and caseload. They [legislative fiscal staff] look at areas where there may be savings. The analysts defer to the committee on policy issues. For example, in the past session we [executive budget office] recommended the implementation of a federal program that allows states to use part of the SCHIP money for other populations, such as parents who are uninsured. We [budget office] recommended doing that, however, the analyst did not take a position on this. The analyst let the committee decide whether to implement that program or not. (Executive Budget Analyst)

In addition to the above comments made by the executive budget analysts, Chapter Four discussed the issue of legislative direction in providing information and developing budget recommendations, and this level of direction could condition how the budget actors perceive budget recommendations and their linkage to analyst influence. In Arizona, legislative fiscal analysts are given cues and general direction from the chairs and members regarding the content of the recommendations. In response to how analyst recommendations are developed in Arizona, the analysts commented:

> The chairs give us a general overview and instructions such as we [chairs] don't want to give them [agency] the full amount for that request, so give us some numbers, different options or suggestions. We do, and then they make a decision. (Legislative Fiscal Analyst)

> We work closely with the chairs. They let us know what they want. There will be times that they want certain things in the budget and we accommodate them. You have to be aware of what leadership wants. If for instance, they want a $100 million tax cut, we would be aware of that and make our budget recommendations accordingly. (Legislative Fiscal Analyst)
>
> We let the chairs know what is going on in the agency. Sometimes, this is daily contact between us and the chairs. We may give them a list of options on how the budget can be increased or decreased. But they make the decisions. (Legislative Fiscal Analyst)

Therefore, the mere development of budget recommendations on the part of analysts may not necessarily lead to the highest perceived levels of influence if those recommendations are seen as coming from committee chairs, done in concert with or "negotiated with" the executive budget office, and/or are perceived to be "technical" recommendations as opposed to "policy" recommendations. The process of developing recommendations, including the individuals involved in making them and whether they are perceived to be policy recommendations, could condition the importance that individuals place on budget recommendations as a method of analyst influence.

Executive analysts in Colorado were also asked discuss how budget recommendations are made. Unlike the analysts in Arizona who reported frequent contact during the period of budget recommendation development, Colorado analysts described a more secret and separate process. Executive budget analyst comments included:

> The two recommendations are completely separate. [LFA] does not know my decisions on the budget. When my office makes a decision we do it behind closed doors. The agency request and executive recommendations are packaged together as the executive request or budget. That is what [LFA] gets in November. We both use assumptions in our budget recommendations. Projections are our biggest assumptions such as inmate and parole projections, rate of inmates to staff. On these things, we have similar assumptions. These assumptions are usually accepted by everyone. But other projections are more controversial such as medical costs for inmates, utilities for facilities, staff of a new facility, we both spend time going through the programs. The most controversial assumptions are for the supplemental recommendations and how you adjust the projections to current trends. The legislature always goes with the [LFA] projections. (Executive Budget Analyst)
>
> I do not ask what his decision will be on a recommendation or issue and neither does he ask me. I become aware of his recommendations at the committee meetings when he presents them. (Executive Budget Analyst)
>
> We go through the same calculations, but separate processes in developing our budget recommendations. (Executive Budget Analyst)

Comments from the legislative fiscal analysts in Colorado support the comments of the executive budget analysts. Two of the three legislative fiscal analysts reported little contact with their executive budget counterparts when preparing budget recommendations.

> I have very little contact with them [Executive Budget Analysts]. It used to be more. I don't get anything from them. I get my information from the agency. The department puts their agency request forward. This is the baseline. Then I start the bidding, I bring in my recommendations. Then the committee responds to me and my recommendations. (Legislative Fiscal Analyst)
>
> Very little contact with the executive budget analyst. They actually contact me for information. If I do not have success in getting information from the agency, then I may call the executive budget analyst. We have a new governor and he has all new staff, reliance on them is little because they are new. (Legislative Fiscal Analyst)

The third analyst reported contact with the executive budget analyst, but this contact centered on the legislative analyst sending a list of questions regarding the executive budget to his executive counterpart. The nature of the contact was one of answering various questions rather than having discussions on the recommendations specifically made by each analyst. These comments are in stark contrast to the comments from analysts in Arizona where there is very frequent communication and discussion of budget recommendations made by both types of analysts.

A different picture emerges concerning the development of budget recommendations on the part of the legislative fiscal analysts in Colorado where these analysts seem to have more independence from both the executive budget analysts as well as the budget committee responsible for the review of agency requests and the executive budget. Regarding the level of discretion and direction from legislators, as discussed in Chapter Four, all three Colorado legislative fiscal analysts indicated that they are fairly free to provide information and develop their own recommendations independent of any formal direction from the committee members. Although, all Colorado legislative analysts and the legislator interviewed referred to "common policy" as an example of direction from the legislative committee, this policy is even conditioned by the analysts themselves. This common policy is set by the legislative committee and directs the analysts to use uniform standards for calculating items such as personal services; health, life, and dental services; and changes in operating expenses when developing staff budget recommendations. Upon further review of these common policies, committee staff is responsible for making recommendations on the methods to use in calculating the items listed above. Although the legislative

committee makes the decision whether to accept, reject, or modify the staff recommendation, the fiscal staff has provided the basis for that decision. Therefore, when analysts use the common policy to develop their budget recommendations, they have had much input into the development of that policy. Further, the legislative committee allows each analyst to depart from common policy when making budget recommendations if the analyst can justify using another method or approach.

Comments provided by key budget actors in Arizona and Colorado suggest that legislative fiscal analysts in both states are influential but Colorado analysts have higher perceptions of influence than their Arizona counterparts. Final legislative appropriations are very similar to the budget recommendations made by legislative fiscal analysts in both states, although budget recommendations by the Colorado analysts are overall closer to the final legislative appropriation than those of the Arizona analysts. The comments from the key budget actors in Arizona and Colorado suggest that the process of developing budget recommendations is somewhat different in the two states. Although the legislative fiscal analysts in Arizona and Colorado begin their preparation of budget recommendations by first reviewing the agency budget requests and executive recommendations, the process differs after the point of receiving these documents. In Arizona, the legislative fiscal analysts begin preparing budget recommendations by reviewing the agency budget requests and visiting with key legislators about those requests in September and October. When the recommendations from the executive budget office (executive budget) are submitted in December, the legislative fiscal analysts finalize their budget recommendations after much interaction with the executive budget office. In contrast, the Colorado

legislative fiscal analysts review the executive budget in November. Unlike Arizona, the Colorado analysts get one document, the executive budget, and this document does not separate the agency budget requests from the executive recommendations. The Colorado legislative fiscal analysts begin preparing their budget recommendations after review of the executive budget, but with less communication with the executive budget office than that reported by the Arizona legislative fiscal analysts. After budget recommendations are complete, analysts in each state present their recommendations to the legislature. At this point, the process is more similar where the analysts in both states compare their budget recommendations to the executive budget office or executive budget recommendations. Despite this similarity, the more separate process of budget development in Colorado, including less interaction with the executive branch and less direction from the legislature, could be why agency personnel and executive budget analysts in Colorado see the analysts there as more influential. Interestingly, the legislators in both states viewed information provision as the method of influence, rather than the development of budget recommendations.

The model of legislative fiscal analyst influence assumed that the development of budget recommendations would lead to higher levels of influence due to the ability of the analysts to suggest policy changes by increasing or decreasing funds, revising programs and/or levels of service. However, the provision of budget recommendations may not always link to analyst influence for some key budget actors if those recommendations are seen as coming from committee chairs, done in concert with or "negotiated with" the executive budget office, and/or are perceived to

be "technical" recommendations as opposed to "policy" recommendations. Further, not all budget recommendations involve initiating policy. For example, an analyst increasing a line item to reflect normal inflationary increases may not be viewed as making a policy decision any more than the chair of the committee requesting the analyst to increase funding for a particular program.

In summary, when reviewing the comments from the key budget actors interviewed in this study regarding how and why legislative fiscal analysts are influential, several issues related to staff duties come to light. First, Colorado legislative fiscal analysts are more likely to respond that budget recommendations are linked to their influence than their Arizona counterparts. Of the budget actors interviewed, the agency personnel comments were the strongest in support of budget recommendations as a method of influence on the part of legislative fiscal analysts, particularly in Colorado. Budget recommendations are viewed as important for influence but there are differences in the process of developing those recommendations in Colorado and Arizona and these differences could explain the disparity in perceived legislative fiscal analyst influence between Arizona and Colorado analysts. These differences are most apparent in the amount of interaction between the legislative analysts and the legislative committee for budget review and the executive budget office.

Second, another issue dealing with staff duties concerns Maine analysts. When reviewing the perceptions of influence, Maine analysts had the lowest perceptions of influence among all legislative fiscal analysts in this study. In the Chapter Four discussion on the roles played by analysts in the budget process, some

Maine legislators commented on the lack of providing policy options by analysts as of some concern. Three of the four legislators interviewed from Maine commented that they would prefer to see staff play a more proactive role in the budget process by providing policy options or suggestions. These legislators reported that the analysts were very good at providing historical and expenditure analyses, those activities associated with monitoring, but not as good at providing policy options, activities more closely associated with the policy initiator role. Therefore, in terms of staff duties, some Maine legislators would prefer the analysts in their state to play a stronger role by undertaking the staff duty of developing policy options or alternatives.

Third, when reviewing comments from the key budget actors in all four states, the provision of information is the dominant factor in how and why legislative fiscal analysts are influential in the budget process. Interestingly, no legislator in either Arizona or Colorado stated that the provision of budget recommendations was how or why the analyst was influential. Instead, these legislators pointed to the act of providing information on the part of analysts as the method of influence.

In terms of assessing the model of legislative fiscal analyst influence, budget recommendations can be a method for influence, but the more broad activity of information provision is a very important reason for legislative fiscal analyst influence. The data suggest that information provision is a primary method of and reason for legislative fiscal analyst influence for analysts in all four states even in Colorado where the specific duty of developing budget recommendations is also linked to influence by the budget actors interviewed. It is important to note, however,

that the broad activity of information provision can occur through a range of duties and roles performed by the legislative fiscal analysts.

LFA Tenure

Legislative fiscal analyst tenure is measured as the number of years the analyst has occupied his or her position as analyst. It is expected that legislative fiscal analysts with longer tenure will be perceived as more influential than those legislative fiscal analysts with less tenure. When reviewing the length of time on the job of each legislative fiscal analyst in this study, no pattern existed where more seasoned analysts were perceived as more influential than analysts with less tenure on the job. However, when reviewing the tenure of the analysts among the states, differences do exist. Overall, the Colorado analysts had the most tenure with an average of nine years on the job. Overall, the Maine analysts had the least tenure with less than two years on the job. As stated before, Colorado analysts have higher degrees of influence than the analysts in the other states, with Maine analysts having the lowest degree of influence, perhaps reflecting the differences in overall analyst experience.

In addition to assessing number of years on the job, comments by analysts and the other key budget actors suggest that analyst tenure does impact influence. Four of the nine (44%) legislative fiscal analysts reporting that they are influential cited that the length of time on the job working with a particular agency leads to influence. Comments from these analysts included:

> I have influence and will have more in time. I am just finally starting to understand what I am doing with the [Medicaid] budget. In time, I will have more and more influence. (Legislative Fiscal Analyst)
>
> [Why influential?] Me the person, because of the long number of years doing work and solving problems for them [legislators] in my area of expertise. (Legislative Fiscal Analyst)
>
> I have worked with the Education Department for a long time. With certain legislators, I have built a relationship. I know they will listen if I tell them something, especially people who have an interest in Education. The members that I have a relationship with tend to listen when I tell them something because they know I have worked with the Education Department for a long time. (Legislative Fiscal Analyst)

Further, two legislators commented that while they believed the current fiscal analyst to be influential, the analysts' predecessors were more influential because they had been in their position for a long period of time. In addition to the comments by the legislative fiscal analysts and the legislators, some agency personnel and executive budget analysts also recognized the importance of tenure on the job and the link to legislative fiscal analyst tenure. Of those agency personnel reporting that the legislative fiscal analyst is influential, comments pertaining to tenure included:

> She has been around for a number of years. She is a senior analyst, she works independently. (Agency Official)
>
> Those analysts with some amount of time on an issue are influential. (Agency Official)
>
> She is very influential. She has been around a long time, very experienced. (Agency Official)
>
> She is somewhat influential in the budget. She [LFA] has been around a long time too, twenty years or more. She is well-respected by the members and the agency. (Executive Budget Analyst)

Therefore, these comments suggest that tenure on the job can be a factor in the influence of legislative fiscal analysts. Although the provision of information to the legislators is the most dominant reason for influence, the ability of the legislative fiscal analyst to provide accurate and in-depth information regarding a particular agency is likely to increase with time on the job.

Legislative Analyst Expertise

In addition to the key budget actors citing the provision of information as a reason for legislative fiscal analyst influence, analyst knowledge of a particular agency or expertise and tenure on the job may also lead to influence as suggested in the model of legislative fiscal analyst influence discussed earlier in this chapter. Legislative fiscal analyst expertise is measured by the number of agencies the analyst has responsibility for in terms of providing fiscal and programmatic information, budget review and analysis, and budget recommendations. It is expected that legislative fiscal analysts who have fewer agencies will have more influence than those who have responsibility for a larger number of agencies.

Legislative analysts pointed to their own individual qualities as why they are influential in addition to their ability to provide budget recommendations or information necessary for legislative decision making. When asked, why are you influential, six of the nine analysts (67%) reporting that they are influential commented that their influence comes from the knowledge they have regarding their assigned agency(s). Some analyst comments included:

> The individual analyst has influence on their own because what analysts tell the committee on the agency's budget can hinder or help the members make decisions. We have to be knowledgeable about our agencies and present that information to the best of our ability to the legislators. (Legislative Fiscal Analyst)
>
> Influence is based on the knowledge I possess about my agencies. You have to get stuff right. This grows with the number of years on the job. (Legislative Fiscal Analyst)
>
> There is no way legislators can understand it [education budget] and with high staff turnover in the legislature and in the education department, I am viewed as knowledgeable. There are also generic education issues that I deal with. I have knowledge of the programs and I inform them [legislators] about the education programs. (Legislative Fiscal Analyst)

Comments from the legislators in this study lend support to the analyst responses. Five of the 11 legislators interviewed (45%) specifically reported that the knowledge of an agency and/or expertise in a particular policy area is a reason why the legislative fiscal analyst is influential. Responses from legislators illuminate the importance of analysts as knowledgeable experts in a particular policy area:

> The three analysts here [Corrections, Education, Medicaid] are the more seasoned, experienced analysts. Nobody knows Medicaid more than this legislative analyst. They are all influential because of their background knowledge on their agencies and experience, we can't be experts in the nitty gritty of budgets, especially when you get down to the technical aspects of the budget. We carry other legislation besides the budget, we have constituent interests. That's their [LFAs] work to provide us with background information that we would like to have. (Legislator)
>
> They are seen as the experts in a particular area, much more so than we are. (Legislator)
>
> We tend to listen closely to them [LFAs], we give what they say a lot of credibility because they are the experts on the agency budgets. (Legislator)

> They have the institutional knowledge, the expertise. They have the full-time job. As a freshman who had to jump in on the appropriations committee I did not realize the volumes of material that we have to go through and read. It is astounding. The volume of material and the depth of material and term limits make staff influential. If re-elected, I do not think that I will get to the point where I don't need them, they are experts in one particular area. (Legislator)

> The education person [Education LFA] is the most influential, he tends to get listened to the most, he has more credibility due to his personality. He is very knowledgeable and trustworthy. He is good at providing us with information and providing us with answers, regardless if it is good or bad. (Legislator)

The remaining legislators cited the provision of information by the analyst as a reason for influence and five legislators also stated that analysts are influential because they provide objective and nonpartisan information to all legislators. Agency personnel also reported that expertise is a reason for influence when asked to discuss why the legislative fiscal analyst is influential. Eight of 21 (39%) cited either expertise, tenure, or some combination of those factors as a reason for influence. Some of the agency personnel comments focusing on the expertise of the legislative fiscal analyst included:

> Because of term limits and the fact that the Medicaid budget is very complex she is very influential. Federal requirements change over time, state programs change over time, idiosyncracies of the program, she must have knowledge/history of program. She is someone who can reach back and say in the early 1980s the oil/gas industry declined and we saw Medicaid growth in this area, so now we can expect to see increases in this area due to the economy. [LFA], personally as an individual, smart lady, does her homework, they have to rely on her but easy for them to do because she is knowledgeable and credible. (Agency Official)

> She is influential because the legislature has highest regard for her. Because of her knowledge of the agency, expertise, competence, length of tenure and historical memory, and trust. All of these are equally important. (Agency Official)

As stated earlier in this chapter, the primary reason for influence cited by the agency officials was the provision of information and to some extent the development of budget recommendations in Arizona and Colorado. Likewise, executive budget analysts also reported that expertise plays an important role in the degree of legislative fiscal analyst influence. Of those executive budget analysts reporting that their legislative counterparts have some degree of influence, four of nine analysts (44%) commented that this influence is due to the expertise and knowledge of a policy area. These executive budget analysts commented:

> He is very influential. There are not many persons at the legislature that have the intricate knowledge of school finance. The policy people tend to rotate with different leadership, but the fiscal analyst has been in his current position for many years. Legislators are confident regarding his recommendations on education related issues. (Executive Budget Analyst)
>
> Very influential. The current analyst is a talented individual, highly qualified, very knowledgeable. The analyst provides a vital role in challenging assumptions that are made in terms of whether an agency is asking for more than they need. (Executive Budget Analyst)
>
> Influential. The legislative analyst has credibility with legislators as an expert on the agency budget and how to reflect the legislature's desired changes in law. (Executive Budget Analyst)

In summary, a majority of legislative fiscal analysts reported that their influence comes from the knowledge they have regarding their assigned agency(s). Slightly less than half of the legislators specifically cited analyst knowledge or expertise as a reason for influence. Thirty-nine percent of agency personnel and 44 percent of executive budget analysts reported that legislative fiscal analyst influence stems from expertise and knowledge of the agency. Therefore, comments from the

key budget actors suggest that expertise, as well as the development of budget recommendations and the provision of information are reasons why legislative fiscal analysts are influential.

LFA Staff Size

This study expected larger fiscal staffs to be more influential than smaller fiscal offices due to the ability of analysts in larger offices to specialize in a single policy area. Therefore, staff size could be linked to the ability of analysts to become experts in a particular agency's budget or policy area, and this expertise has already been established as being important to legislative fiscal analyst influence. This study cannot definitively say whether staff size is factor in the influence of analysts. In reviewing the size of fiscal staff, the Arizona fiscal analysts in this study operated in the largest fiscal office, yet Arizona analysts were not perceived to have the highest influence among the analysts in this study. Colorado and Kansas, states where the analysts received the highest perceived levels of influence, represented the middle range of staff size in this study. However, Maine fiscal analysts operated in the smallest fiscal office and were perceived to have the least amount of influence of all legislative analysts in this study. These analysts also have the heaviest agency load among the legislative analysts. As discussed above, analyst knowledge and expertise seem to be linked to influence as several comments from the key budget actors reported these characteristics as reasons for influence. These comments were found in every state under study, including Maine, so staff size is not a powerful explanatory factor in legislative fiscal analyst influence.

LFA Contact with Legislators and Other Budget Actors

It is expected that legislative fiscal analysts with higher levels of contact with other budget actors and with more visibility in the budget process will be perceived to be more influential than their counterparts with less visibility. There is some support for this linkage. Chapter Four discussed the amount of contact between analysts, legislators, agency personnel, and executive budget analysts. Overall, Maine legislative analysts have less contact and visibility than the other legislative analysts in this study and Maine analysts have the lowest levels of influence based upon the perceptions of the key budget actors. Maine legislators reported more contact with the fiscal office director and principal fiscal analyst than with rank and file analysts. Providing support for this claim is the fact that Maine legislators were less able to identify by name the legislative analyst responsible for a specific policy area than legislators in other states. Although Maine fiscal analyst contact with agency personnel mirrors that of other analysts where contact tends to be heavier during the period of agency budget request review, executive budget analysts reported contacting legislative fiscal analysts less frequently than the executive budget analysts in other states. While other analysts in this study are very visible making individual presentations before committees, staffing subcommittees, attending caucus meetings, Maine analysts are less visible in the process. Maine analysts do not make presentations before any committee and do not staff subcommittees due to the absence of subcommittees within the appropriations committee.

When reviewing the linkage between contact and influence on an individual analyst basis, the two budget actors reporting that the legislative analyst in Maine had

no influence also reported very little contact with the analyst. The same was true for one agency official in Kansas. This agency official reported the analyst as only somewhat influential and also had little contact with the analyst regarding agency budgetary matters. In Arizona, one minority party legislator reporting that the legislative fiscal analyst is only somewhat influential also commented that contact with the minority committee staffer was more frequent than contact with the legislative fiscal analyst. All budget actors in Colorado reported that the legislative fiscal analysts are influential and all budget actors except for the executive budget analysts reported frequent contact, especially during the peak periods of agency budget review and preparation of budget recommendations. Although the executive budget analysts and legislative fiscal analysts in Colorado have less interaction with each other as described earlier in this chapter, the executive budget analysts still reported high influence for their legislative counterparts. Despite the connection between contact and influence with the Colorado executive budget analysts, the comments from other budget actors in all states under study suggest that contact and visibility in the budget process conditions the degree of influence.

Level of Discretion and Direction Given Fiscal Analysts

The model of legislative fiscal analyst influence in this study assumed that analysts given less direction and more discretion from legislators will be perceived as more influential by the legislators. In this study, the level of discretion given to the legislative fiscal analyst was measured threefold. First, analysts were asked to report the whether direction is given by legislators and the level of discretion they have in developing recommendations, creating policy options, and providing information to

legislators. Second, legislators were asked to report the whether direction is given to analysts and to further report the amount of discretion analysts have in making recommendations and providing information. Third, documents such as legislative manuals and staff reports were reviewed to identify any specific constraints or parameters placed on analysts in developing recommendations, creating policy options, and providing information to legislators.

When reviewing the comments from analysts and legislators, all respondents reported that direction is given by the legislators. Chapter Four indicated that direction occurs when legislators or committees direct analysts to answer specific questions, provide specific information regarding an agency's budget request, or to develop a series of policy options or alternatives. However, Colorado analysts perceived the least amount direction from legislators in terms of providing information, developing policy options, or providing budget recommendations. In particular, when developing budget recommendations, all three Colorado analysts reported either some direction or little direction from the budget committee. In contrast, analysts from the other states in this study reported more direction in the form of office visits with the appropriations committee chairs and members prior to the development of the recommendations, meetings with subcommittee chairs to discuss meeting agendas, and general direction in the form of legislators asking analysts for specific information. Therefore, all analysts and all legislators in this study reported that direction is given to analysts. Little difference appeared in the comments among analysts and legislators. However, Colorado analysts reported the least amount of direction. These analysts also have the highest levels of perceived

influence among all of the analysts in this study. Interestingly, the two minority legislators interviewed in Arizona commented that perhaps the analysts received too much direction from the majority party or the chairs of the appropriations committee.

When reviewing legislative manuals and fiscal staff documents, there are several examples of direction given to analysts either by the legislative committee or by the fiscal office. In Colorado, legislative direction through common policy has previously been discussed. Common policy provides for the uniform calculation of items such as personal services, health insurance, and operating expenses. These calculations are used by the analysts in developing the budget recommendations. In a fiscal staff document summarizing the legislative role in the budget process, the development of budget recommendations in Arizona is discussed. This staff document, used as a reference for legislators, outlines the process of budget recommendation development. It describes a uniform format to be used by each analyst in presenting the agency budget information, defines key terms used by the analysts, and describes the types of recommendations made by the Arizona analysts. Two types of recommendations are made. First, standard changes include increases or decreases due to salary adjustments, rent, and risk management. Second, recommendations are also made on policy issues. Policy issues are defined as increases or decreases due to demographic changes and changes in programs necessary to bring overall spending in line with available resources. Analysts in Kansas receive legislative direction on how to present their analyses of agency budget requests. This direction primarily concerns a uniform format where analysts are told how to present the agency budget information to the legislature. For instance, the

legislature may request the analysts to compare current year expenditures and appropriations to previous years or to present information using charts and graphs. As discussed in Chapter Three, the fiscal note process in Maine is an important and time-consuming activity for legislative analysts. Because of the importance of this activity, the fiscal office in Maine provides a detailed document on the development of fiscal notes. This document provides a guide for analysts and state agencies as much of the information for the fiscal note comes from state agency estimates. This document defines a fiscal impact, the types of bills requiring a fiscal note, the sources of information used by the fiscal analyst in estimating the fiscal impact and the role of state agencies in estimating the fiscal impact on their programs, and the format of the fiscal note. Although direction in all states is fairly explicit, influence still varies among the four states.

In terms of discretion, all analysts from each of the four states under study reported a great deal of discretion in providing information, policy options, and budget recommendations to legislators. This is a higher degree of discretion than that reported by the legislators interviewed where ten of the 13 legislators reported that analysts have "some" discretion in providing information or making budget recommendations. Three legislators from different states reported that the analyst has a great deal of discretion. A majority of legislators, when asked to rate the kind of discretion held by analysts, typically replied that they had some discretion but within certain boundaries such as providing information in a nonpartisan and objective manner to members of all political parties.

When reviewing reported levels of discretion by state, by analyst, and by legislator, there were no patterns in the degree of discretion other than analysts reporting higher discretion than legislators. Therefore, all analysts reported having a great deal of discretion, even those with lower levels of perceived influence. In this study, this variable is not good at explaining variation in legislative fiscal analyst influence.

Legislative Tenure and Analyst Influence

Legislator inexperience or lack of knowledge may be the result of several factors limiting the time legislators have on the job and thus conditioning the influence of legislative fiscal analysts. In Arizona and Maine, a biennial budget cycle may reduce the amount of time that legislators spend on the budget as the budget decision is not made on an annual basis. This many reduce the ability of the legislators to become experts on the budget, increase the reliance on analysts for budgetary information, and thus increase legislative fiscal analyst influence. Likewise, term limits also reduce the time legislators have to become experts on the budget. Therefore, it is expected that legislators with less tenure in the legislature, less tenure on the appropriations committee, and less tenure as committee chair will result in higher levels of legislative fiscal analyst influence.

Among the legislators interviewed in this study, the legislators from Kansas, as a group, had the most tenure in the legislature, followed by the Colorado legislator. The Kansas legislators interviewed averaged 15 years in the legislature and 12 years on the appropriations committee, making them the most tenured committee members as well. The Kansas legislators are not term limited, unlike legislators in Arizona,

Colorado, and Maine. The Arizona legislators in this study had the least amount of tenure in the legislature at six years, followed by Maine legislators with eight years. In the states with the most senior legislators (Kansas and Colorado) all legislators ranked the legislative fiscal analyst as either very influential or influential. As a group, Maine and Arizona legislators had lower levels of perceived legislative fiscal analyst influence. When reviewing Arizona and Maine legislators individually, those with the longest tenure in the legislature perceived the analysts as only somewhat influential, while legislators with the least tenure in the legislature and on the appropriations committee rated the analysts as very influential and influential. Therefore, when reviewing the link between tenure and legislator perception of analyst influence, differences among states appear. In Kansas and Colorado, all members interviewed had nine to 18 years experience in the legislature and all rated the legislative analyst as very influential or influential. In Arizona and Maine, the legislators with eight to 12 years experience in the legislature (three of eight legislators interviewed) reported that the analyst is only somewhat influential. The assumption in the model that legislators with the least experience would rate analysts as more influential is borne out in Arizona and Maine. However, it should be noted that no legislator with less than nine years experience was interviewed in Kansas and Colorado.

Due to the advent of term limits in many state legislatures, including three of the states in this study (Arizona, Colorado, and Maine), the researcher sought to explore differences in influence among newly elected legislators and those with more tenure in office. The legislative fiscal analysts in this study were asked to identify the

legislator most likely to be influenced, the legislator who has been in the legislature longer or those legislators newly elected. Five of nine (55%) legislative fiscal analysts reporting that they have influence in the budget process commented that they influence legislators who have been in the legislature for some time. Three of the nine (33%) analysts reported that they believe to influence both old and new members or that it was difficult to say which group they influence the most, and one analyst reported that he influenced new members rather than more tenured legislators.

Of the analysts reporting more influence over seasoned legislators, responses centered on relationships built between analyst and legislator and the lack of knowledge of new legislators. Several analysts reported:

> I influence people who have been around longer. The new people don't know us. They don't know who we are or where we are located. (Legislative Fiscal Analyst)

> I influence the committee and subcommittee chairs the most and they are the ones who have been around for awhile. They have more experience. But the new members are highly reliant on us for information, so there is some influence here too. Although sometimes they don't call because they don't know who to call. (Legislative Fiscal Analyst)

> The longer members have been around. They survive because they rely on analysts for information. Younger people are ignorant in terms of what we can do for them or they are arrogant and don't think they need our help. (Legislative Fiscal Analyst)

> Members who have been around longer, we have history, they know I am not coming from left field, if we have worked together once and they found me useful, and I didn't screw up, they will come to me again. (Legislative Fiscal Analyst)

> Those who have been around longer because it is experience that is important. The new members are cautious of us. Not sure what role staff play, they test the waters more. The older members know what basis we use to make our recommendations, they trust staff. The new members are just trying to get a feel for the process. (Legislative Fiscal Analyst)

The lone analyst reporting that he influenced newly elected members more so than tenured members said so because members with tenure have an understanding of the budget and are not as dependent upon staff. New members, however, rely on staff to show them how the budget process works and once they have mastered the process, then they become less reliant on staff. Several analysts commented that they influence both senior and junior legislators, and some analysts had difficulty deciding whom they influence. Comments from these analysts included:

> Depends upon the individual member. New members rely on us for information as people who have historical knowledge. But the older members who have used us for information in the past continue to use us as resources. Those members who want fiscal information use us and those whose interests lie elsewhere do not. (Legislative Fiscal Analyst)

> I can't say. Newly elected members are impressed by what you know, but they are "green," not effective, don't know whether they listened or they don't know how to pursue the issue. More senior members or members in leadership positions know you better and are in a better position to get things done. Maybe more influence here because they can act on what you say. (Legislative Fiscal Analyst)

> Term limits has changed everything. Difficult to say whether more or less influence because of this. Two different ways to look at it. Most people think that we [staff] will have more influence, because we are all that they have. But when new members hear things from staff about legislative intent many years ago or what happened years ago, they don't care. They think, I am in power now. When used to, members were part of a long-term club, where the institution mattered. The institution has changed. (Legislative Fiscal Analyst)

All analysts reported being trusted by the legislators and trust between analyst and legislator was cited as a reason for influence by some of the respondents in this study. This trust is likely to increase analyst influence as the legislator gains confidence in the information provided by the analyst. Several analysts responded:

> With term limits, it is an issue of trust. The newer members trust us less, when they do begin to trust us, it is time for them to leave. (Legislative Fiscal Analyst)
>
> You build trust with time working with members. (Legislative Fiscal Analyst)
>
> The older members know what basis we use to make our recommendations, they trust staff. The new members are just trying to get a feel for the process. (Legislative Fiscal Analyst)

However, a term-limited legislature is thought to be problematic for the analysts. When asked to describe the major challenges faced by fiscal analysts, five of the eight legislative fiscal analysts in this study who work for term-limited legislatures commented that term limits pose challenges for staff. These analysts commented:

> We can't assume a knowledge base, members change and we can't build upon an idea. We have to go back to the basic concepts and descriptions of programs. It is hard to get through all of the information. (Legislative Fiscal Analyst)
>
> We are feeling the challenges of term limits. The issues are complex. Medicaid takes a while to understand, by the time you understand it, you are term limited. The is a challenge that faces the institution. (Legislative Fiscal Analyst)
>
> We have to assist term-limited legislators in developing a vision for long term solutions to budget issues. (Legislative Fiscal Analyst)
>
> The cadre of "old guard" is no longer around. These were the people who truly understood the process. Now you get people who don't have time to understand the budget process or they don't care, they are single-issue people who don't care about anything else but than one issue. (Legislative Fiscal Analyst)

> With a new legislature it is more difficult to explain things to them. There is not the same degree of understanding that we saw with the older legislature. Institutional knowledge is left to the staff, that is not necessarily our role, but it has fallen to us. Institutional knowledge used to be with the legislature. It is also an issue of trust. The newer members trust us less, when they do begin to trust us, it is time for them to leave. (Legislative Fiscal Analyst)

Although some of the analysts in this study had difficulty determining whom they influence the most, many analysts in term limited states are concerned about the challenges term limits bring.

Biennial Budget

In this study, both Arizona and Maine operate under a biennial budget cycle. The model of legislative fiscal analyst influence assumed that analysts in states using a biennial budget cycle would have more influence due to the decreased amount of time that legislators have to learn about the budget. Colorado and Kansas analysts have the highest levels of influence and these analysts operate in states with an annual budget process. The two states with biennial budget cycles were also the states where the analysts had lower perceived levels of influence compared to Colorado and Kansas analysts. Perhaps the visibility and interaction of analysts with legislators are higher in states with an annual budget process and this leads to an increase in their perceived influence by the key budget actors.

In summary, the data from this study is mixed on the impact of tenure and lack of legislator knowledge on the perceived influence of legislative fiscal analysts. From the legislator perspective, Kansas and Colorado legislators, two states with the highest overall legislative tenure, had higher perceptions of legislative fiscal analyst

influence. However, legislators in Arizona and Maine with the highest tenure perceived less analyst influence than legislators with less tenure in those states. From the analyst perspective, slightly more than half of the analysts reported that they influence legislators who have more tenure in office. Yet, several analysts commented that it was difficult to determine the type of legislator who is influenced the most by analysts.

This research shows that there are several important variables that provide justifications for legislative fiscal analyst influence. The most important of these is the provision of information by the analysts in this study. For Colorado analysts, and to some extent Arizona analysts, the development of budget recommendations also leads to influence. The legislative fiscal analysts are seen as experts by many of the key budget actors and this enhances their ability to provide information to legislators. Those analysts with more contact with budget actors and more visibility in the process also exhibit greater influence. In addition to these variables, other sources of influence were also found during the interviews. These sources will be discussed next.

Other Potential Factors Conditioning Influence

There were other factors found through key budget actor comments that could be potential factors in legislative fiscal analyst influence. These factors were not part of the model outlined at the beginning of this chapter. However, future research should consider the inclusion of legislative trust of individual staff, the reputation of the fiscal office, and a shared philosophy between analyst and legislator as potential factors conditioning legislative fiscal analyst influence.

Chapter Four found that legislative fiscal analysts reported that they are trusted by legislators. Further, a primary reason for this trust is the ability of the analysts to provide honest, accurate, timely, and reliable information to legislators. Because information provision was cited by most key budget actors as a reason for influence, trust could be an important intervening variable in the influence of legislative fiscal analysts. Although no legislator specifically mentioned trust as a reason for legislative fiscal analyst influence, five of 21 agency personnel reporting at least some legislative fiscal analyst influence commented that trust is a reason for analyst influence. Comments from these agency personnel included:

> The legislature has to trust its staff because decisions are made with little time to reflect or judge the long term implications. The staff has to be the sounding board to judge the reasonableness and workability of legislative changes. (Agency Official)
>
> She is highly regarded by most members of the appropriations committee and they trust her. (Agency Official)
>
> They [committee] have to trust someone and they trust staff. (Agency Official)

It should be noted that trust of individual staff could be linked to the trust of the fiscal office. The comments from the agency officials above indicate that the legislature trusts staff. If the fiscal office as a whole is trusted, then that trust could pass onto the individual legislative analyst. Future research should include a trust variable for both the individual analyst as well as trust of fiscal office. The importance of the fiscal office emerges again as a reason for influence when analysts were asked, If influential, where do you think your influence comes from? Does it come from you as an individual, the fiscal office, or some other source? Six of nine

(67%) analysts responded that the reputation of the fiscal office and/or the fiscal office director was a reason why they are influential. General comments in this area reflect the importance of working in an office that has the respect of legislators as well as the tenure, skill, and respect of the fiscal office director as sources of influence. Common responses from analysts included:

> The director has been around for 15 years, he has respect and that reflects positively on the office. (Legislative Fiscal Analyst)
>
> The office and director have such credibility. The fiscal section is highly credible. Other legislative staff is aware of this. (Legislative Fiscal Analyst)
>
> The staff director is influential because he has an overall view of the budget. He has tremendous influence, direct access to members, can explain the overall process to them, especially with term limits. The combined office has influence because the budget would not get done without this office. (Legislative Fiscal Analyst)
>
> The director of office is well respected. He's been around for a long time. And if boss likes you, others like and respect you. (Legislative Fiscal Analyst)

The above comments indicate that the reputation of the fiscal office as a whole may condition the influence of the legislative fiscal analysts. Supporting this claim are comments from two agency officials. They also recognized that fiscal office reputation is a factor in the influence of legislative fiscal analysts. These comments included:

> The influence he [LFA] possesses doesn't just come from him as an individual, but it was the same with the analyst before him. The legislature relies on these people to do all the work. The office is influential and that is why they are all influential. (Agency Official)

> Also, the fiscal officer director helps staff the education committee and he also does a lot in school finance and with the funding formula. They (director and LFA) work together a lot. The director is well-respected and he has also been there a long time. (Agency Official)

The importance of the fiscal office and/or director in the influence of the legislative fiscal analyst is the perception that if the fiscal office is credible and the fiscal office director is credible, then staff will be perceived as credible and influential.

In addition to some agency personnel recognizing the importance of trust on influence, trust may be linked to expertise and tenure on the job. Two legislative fiscal analysts reported being trusted because of tenure on the job and doing good work for the legislature. These analyst comments included:

> Over time, committee members become familiar with us. They have experience with me. The longer you have been around the more trust they have in you. You build a track record, it is experience. They know that you aren't going to go off and recommend something outlandish. (Legislative Fiscal Analyst)

> I am trusted because of the long number of years doing good work and solving problems for them. It is performance and reputation. (Legislative Fiscal Analyst)

Therefore, trust may have an indirect impact on influence because trust is built by providing accurate and objective information to legislators, which is the primary way that analysts are influential. Further, trust may be enhanced by length of time on the job, performing that job well, and being associated with a fiscal office that is also respected. Although only reported by one legislator, another interesting reason for legislative fiscal analyst influence could be an ideological connection between the analyst and legislator. This legislator commented:

> This analyst is influential, many are somewhat influential for me, but this depends upon my views about things. Some analysts favor a way you are thinking. I am a fiscal conservative. If we have the same philosophy, I more often listen to, have more conversations with, and trust them more than those who don't share my philosophy. Some analysts have to be pushed to come up with cuts.

This comment suggests that for this particular legislator, the ideology of the analyst matters. However, as discussed earlier, a larger number of legislators replied that the nonpartisan nature of the fiscal office and the ability of the analysts to provide objective information to all legislators are reasons why analysts are perceived to be influential. Future research should compare the influence of nonpartisan and partisan staffs.

Point in Budget Process Where Legislative Fiscal Analyst is Most Influential

The issue of when the legislative fiscal analyst is most influential on legislative decision making concerning the budget was addressed by questioning both legislatures and legislative fiscal analysts. Legislators were asked to identify the point in the budget process where the legislative fiscal analyst is the most influential in terms of decision making on the budget. Likewise, analysts were asked to identify the point in the budget process where they believed to be the most influential on the decision making of the legislators.

Table 5.6 shows the importance of the agency budget request analysis and the development of budget recommendations in Arizona, Colorado, and Kansas. All Arizona legislative fiscal analysts responded that the point at which they are most influential is at the committee level when they present the analysis of the agency

budget request or her budget recommendations. Three of the four Arizona legislators reported that analyst influence comes early in the legislative session when analysts present their reviews of the agency budget requests and the subsequent recommendations. One legislator comment included:

> They are influential very early in the process when we are trying to zero in on the revenue numbers and when they present the agency budgets to us. After the presentations are over, then the JLBC staff is there to provide us with the "what ifs", what happens if we do this or that, suppose we do this, suppose we do that. They become more reactive toward the end of the process. (Legislator)

The remaining Arizona legislature, a member of the minority party, cited the end of the session as the most influential point for legislative fiscal analysts. This legislator responded:

> Toward the end when there begins to be some focus on the budget, when the caucus begins to panic over things being cut. If something is being cut, we want JLBC staff there to answer questions about impact. (Legislator)

Similar responses are found in Colorado where all the analysts and the legislator commented that the most influential period is the analysis of the agency budget requests and later in the session, the presentation of the budget recommendations. Kansas analysts and legislators also responded that the analyst presentations before the committees and subcommittees at the beginning of the legislative session is the point at which analysts have the most influence. The Maine analysts had difficulty determining the point at which they were influential due to their perception of no influence in the budget process. Therefore, no response could be derived from the analysts. In contrast to the legislators in Arizona, Colorado, and

Kansas, all four legislators interviewed in Maine reported that analysts were influential at the end of the legislative session. Comments from these legislators included:

> At the end of the session where it becomes more clear on what we have to do, we have more questions for them about agency budgets or governor's recommendations. After the executive recommendations are sent to us and after the members change that budget a bit, then we have to reconcile the budget, staff help us with that. (Legislator)
>
> When we are really down to the crunch time and we have to make decisions on the budget at the end of the session. (Legislator)
>
> Probably when we are close to wrapping up the budget, at the end of the session, that is when we are really needing the analysts to tell us what will be the impact of cuts, if we do not fully fund something, what would the results be if not fully funded? (Legislator)

Maine legislators, unlike their counterparts in the other states under study, seem to rely on fiscal staff more at the end of the session. While the analysts and legislators in the other states place importance on the analysis of agency requests and presentation of budget recommendations, no Maine legislator specifically mentioned the summary of the agency budget requests as the point where analysts are the most influential. As stated before, Maine analysts do not make presentations before the committee on the agency budgets, this activity is the responsibility of the fiscal office director, the principal analyst, and the state agencies. Perhaps the difference in the point of influence is due to the inability of Maine analysts to individually make presentations of agency budget requests before the committee. It is also interesting to note that both analysts and some legislators from Maine commented on the importance of fiscal notes in their decision making. Fiscal notes are produced by the

analysts throughout the legislative session, although the legislators commented that Maine analysts are more influential at the end of the session.

Table 5.6
Point of Legislative Fiscal Analyst Influence by State

State	Point of Influence
Arizona	
Legislators	Presentation of budget recommendations by analyst
LFAs	Committee hearings/presentation of budget recommendations
Colorado	
Legislators	Presentation of executive budget and budget recommendations
LFAs	Presentation of executive budget and budget recommendations
Kansas	
Legislators	Presentation of agency budget requests
LFAs	Committee hearings/presentation of agency budget requests
Maine	
Legislators	End of legislative session
LFAs	No Response

Although not identified as an independent variable in the original model of legislative fiscal analyst influence, the point in the budget process where analysts have the most influence could condition the kind of influence exerted on the decision making of legislators. This study indicates that there is variation among the states in terms of the point of influence. Legislators in Arizona, Colorado, and Kansas indicate that the presentation of agency budget requests and the budget recommendations are the primary point of analyst influence on their decision making. This suggests that analysts in these states have the ability to frame the issues early on in the process of budgetary decision making. In these three states, the presentation and evaluation of agency budget requests and/or executive budget occur immediately prior to the legislative session or at the beginning of the legislative session. Therefore, these analysts are influential at the very beginning of the process where

they have the ability to shape decision making by informing legislators of agency requests and the key issues involving those requests. In contrast, legislators in Maine reported that analysts are more influential at the end of the session when information is needed to make final budget decisions. Maine analysts appear to be less influential at the early stages of the session perhaps due to their inability to present their own agency budget request summaries or budget recommendations. This research suggests that the point in the budget process where analysts are the most influential should be considered as a new independent variable in future research. The point at which analysts are influential varies in this study and this variation could be linked to different types of influence being exerted by the analysts.

Summary of Factors Conditioning Legislative Fiscal Analyst Influence

The preceding pages discussed the degree of influence and the various factors conditioning the influence of legislative fiscal analysts in this study. A majority of the comments from legislative fiscal analysts, legislators, agency personnel, and executive budget analysts, suggest that legislative fiscal analysts are influential in the budget process and that there are several sources of influence. Primarily, legislative fiscal analysts are influential in the budget process because they are information providers. They provide the information that becomes the basis for legislative deliberation and decision making on the budget. Information provision was cited by the majority of key budget actors as both how and why analysts are influential. As information providers, analysts in all four states operate in an environment of some direction from the legislators such as responding to specific requests for information

and policy options, following specific guidelines on how to present budgetary information, and in developing budget recommendations for those analysts engaging in this activity. However, these analysts also have a great deal of discretion in providing information in terms of what the legislators hear and see. Therefore, by summarizing and clarifying information, legislative fiscal analysts influence the legislature in the budget process.

This study also found that the key budget actors interviewed had different perceptions of influence. When reviewing the four sets of actors, analysts perceived the highest level of influence. This is not surprising as individuals often rate themselves higher in self-assessments. Overall, agency personnel perceived slightly more influence for legislative fiscal analysts than legislators perhaps due to the importance of analysts as facilitators of information between legislator and agency. This is an important relationship as reflected in Chapter Four where it was established that a majority of agency personnel believed it to be very important to establish a good relationship with the legislative fiscal analyst responsible for their agency's budget. Legislators also perceived high influence as a group, although slightly less than the agency personnel and the legislative fiscal analysts. This is explainable due to the fact that legislators see themselves as the body with the final say on decisions. They are the elected officials. Although the legislators are presented with information, policy options, and budget recommendations by the analysts, they must make the final decision. This is borne out in some of the legislator comments on how analysts are not policy initiators and do not impact the actual decision on the budget. Not surprisingly, the executive budget analysts perceived the least amount of

influence due perhaps to the executive-legislative relationship in the budget process and the fact that many of these analysts reported less significance in establishing a good relationship with the legislative fiscal analyst than that reported by the agency personnel.

Chapter Two presented the model of legislative fiscal analyst influence used in this study. Figure 5.2 presents a revised model of legislative fiscal analyst influence based upon the key budget actor comments. Figure 5.2 indicates that there are several important independent variables. First, several variables are labeled as organizational variables because they represent the working environment of the analysts such as the provision of information through the variety of duties performed by the analysts, fiscal office reputation, type of staff, and legislator tenure in office. Second, several variables relate directly to individual legislative fiscal analysts such as tenure, expertise, and legislator trust in analysts. Third, procedural variables represent the actual process of developing the budget and include analyst contact and visibility in the budget process, the development of budget recommendations, and the primary point of influence in the budget process.

Figure 5.2
Revised Model of Legislative Fiscal Analyst (LFA) Influence

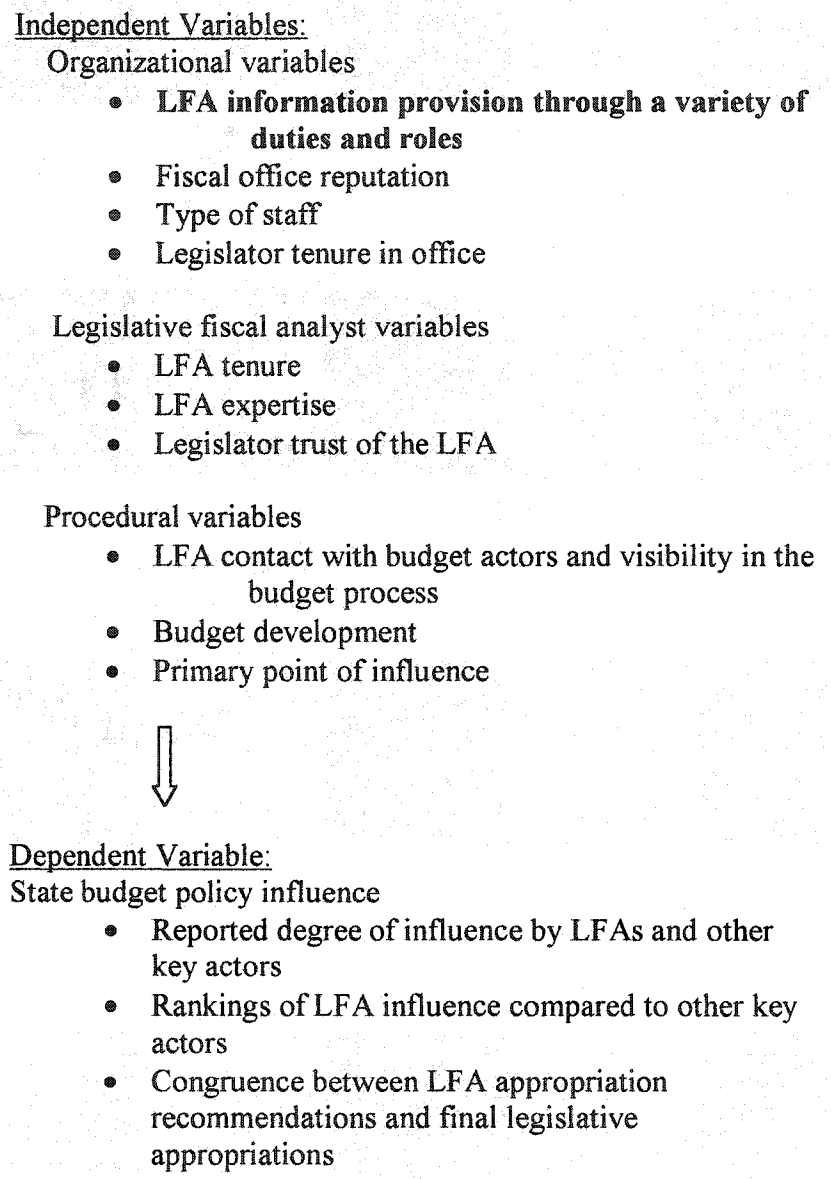
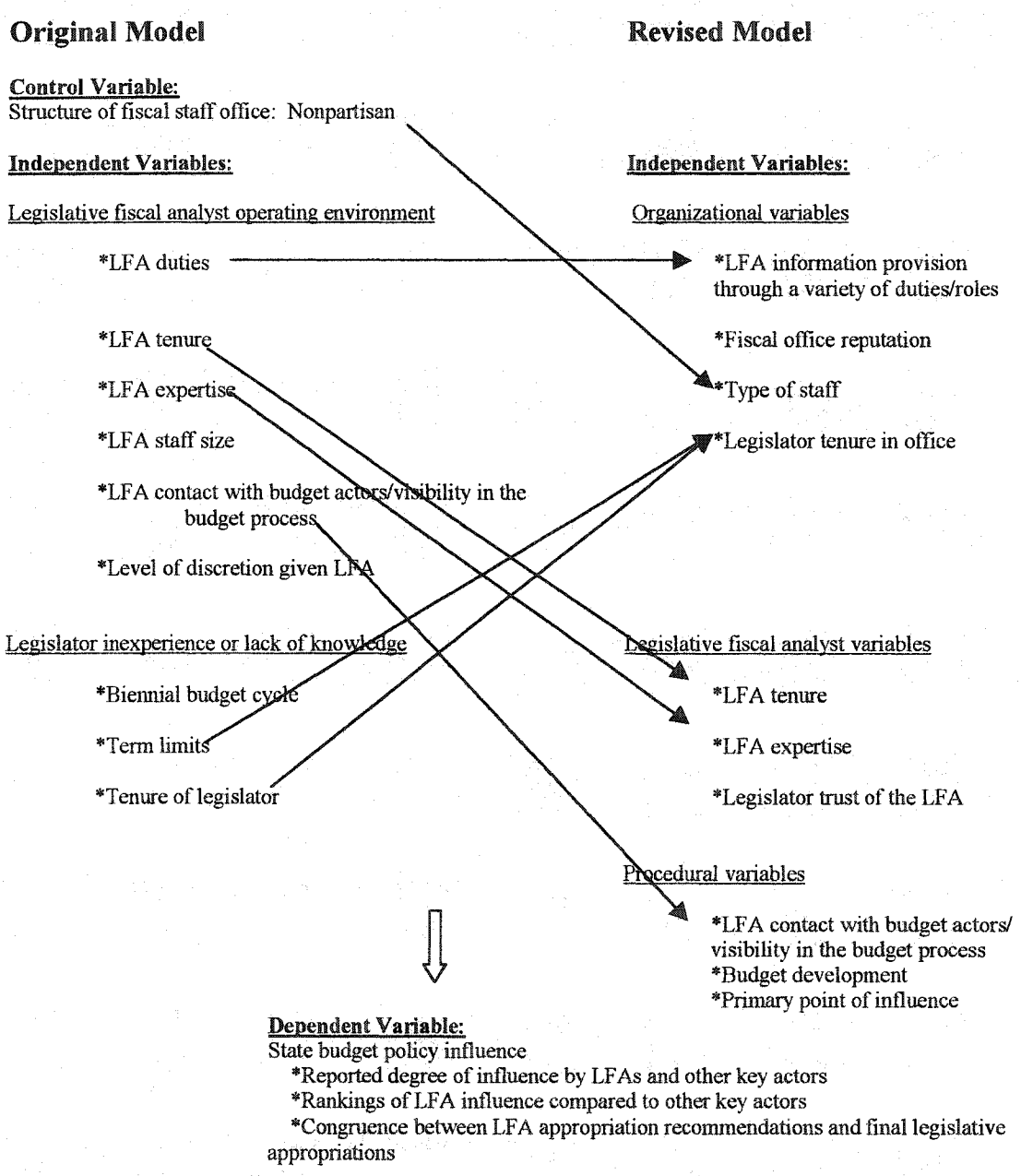


Figure 5.3 crosswalks the variables in the original model of legislative fiscal analyst influence to the variables in the revised model of fiscal analyst influence and shows the reorganization of the variables into organizational variables, individual legislative fiscal analyst variables, and procedural variables as discussed above. Further, Figure 5.3 indicates that several variables in the original model were not

found to be important in determining legislative fiscal analyst influence. These variables include staff size, discretion given the legislative fiscal analyst, and the biennial budget cycle. Finally, Figure 5.3 shows the addition of several new variables linked to legislative fiscal analyst influence. These variables were not a component of the original model of legislative fiscal analyst influence.

Figure 5.3



The next sections will discuss the relative importance of the independent variables in the revised model as well as the differences among the four states under study on each variable.

Independent Variables Conditioning LFA Influence

Information provision directly conditions the influence of the legislative fiscal analyst in all four states as confirmed by the comments from the key budget actors in this study. It is the strongest reason for how and why legislative fiscal analysts are influential in the state budget process.

From the legislator perspective, the most useful information provided by analysts is that which gives a broad picture and historical analysis of agency expenditures and programs, key issues confronting the agency, and explanation of past decisions. For the most part, the legislative analysts in this study believe that the analysis of agency requests and the development of budget recommendations are the most useful types of information provided to legislators. These types of information can occur through all of the duties identified by the legislative fiscal analysts in Chapter Three. Information is provided to legislators when analysts monitor agency expenditures, analyze agency budget requests and prepare fiscal notes, develop policy options and budget recommendations. Further, when analysts staff subcommittees the potential arises to disseminate information to legislators. Therefore, information provision occurs within all four types of duties discussed in Chapter Three: clerical worker, monitor, facilitator, and policy initiator. Although the primary duty cited by all analysts in each state was the analysis of agency budget requests, some differences

in duties arise among the analysts. Arizona and Colorado analysts cited the preparation of budget recommendations as a primary duty along with analyzing the agency budget request. Kansas analysts reported the important clerical task of staffing subcommittees as a secondary duty for the legislature. Maine analysts commented that fiscal note preparation was a significant, but secondary duty performed for the legislature. The original model of legislative fiscal analyst influence assumed that analyst duties would condition analyst influence. The original model suggested that those analysts responsible for preparing budget recommendations would be the most influential. Although comments from some budget actors in Colorado and Arizona specifically linked budget recommendations to legislative analyst influence, information provision was also cited as how and why analysts in those states were influential. Therefore, budget recommendations can be a source of influence, but the more general activity of providing information that occurs through many duties, seems to be a more important source of influence.

Information provision can also occur through the various roles identified for legislative fiscal analysts. It was established in Chapter Four that most budget actors perceived the facilitator role for legislative fiscal analysts as the most appropriate. However, the key budget actors also recognized that analysts perform multiple roles including clerical worker, monitor, and policy initiator. Further, key budget actors in Colorado perceived some policy initiation on the part of legislative fiscal analysts in that state, more so than key budget actors in the other states. For Colorado analysts, the policy initiator role seems to be an important role for the legislative fiscal analysts as well as facilitation. For Kansas analysts, the facilitator role was deemed the most

important. Facilitating and monitoring were selected as appropriate roles for analysts in Arizona and Maine.

While providing information through a variety of duties and roles, analysts exert different types of influence. First, analysts provide the foundation for budgetary decision making by giving basic fiscal and historical information about an agency and its budget to legislators. Second, when analysts summarize and simplify agency budget requests by parsing out information to legislators, pointing out areas of concern, or identifying key issues, they shape legislative deliberation and debate. Analysts can narrow the range of legislative discussion by identifying issues, developing policy alternatives, or making specific budget recommendations. Therefore, analysts can engage in agenda setting where they are influential in determining what gets elevated to the attention of the decision makers as well as being influential because they provide the basic information about an agency and its budget.

As Figure 5.2 indicates, specific individual legislative fiscal analyst variables are also linked to influence. Tenure and expertise are important qualities of a legislative fiscal analyst. An analyst who has been on the job a number of years working with one agency or policy area has the expertise to convey information about the agency and its programs to the legislature. Comments from budget actors also linked tenure on the job as a reason why the analyst is influential. In addition, comments from the budget actors confirmed that analysts are seen as experts and that this expertise is a reason why analysts are influential. In support of this expertise, legislators indicate that when they need specific information about an agency's

budget, they most often go to the legislative fiscal analyst assigned to that agency rather than the fiscal office director. Although the provision of information was cited more frequently than either tenure or expertise, the latter two variables could directly impact the ability of analysts to provide accurate and timely information to legislators. The original model of legislative fiscal analyst influence assumed that staff size would condition influence where analysts in larger offices would have the ability to become experts in a particular policy area, thus increasing their influence. Although inconclusive in this study, staff size is probably an important indirect element in influence. Maine analysts, with the least amount of perceived influence operate in the smallest fiscal office which suggests that size of office may be linked to influence or perhaps linked to the ability of the analyst to become an expert on one agency or policy area. The workload is larger in a smaller office and time constraints may preclude the analyst from preparing a detailed analysis of the many policy areas under her supervision.

Information provision has been noted as the primary source of influence for legislative fiscal analysts, with legislative fiscal analyst tenure and expertise directly impacting the ability of the analyst to provide that information. In addition to these sources of influence, there are several secondary sources of influence including legislator trust of the legislative fiscal analyst, fiscal office reputation, type of staff, legislator tenure in office, contact and visibility in the budget process, the development of budget recommendations, and the primary point of influence in the budget process. Some of these variables such as the legislator trust of analyst, fiscal office reputation, type of staff, the process of preparing budget recommendations, and

the primary point of influence were not part of the original model of legislative fiscal analyst influence introduced in Chapter Two. These new variables should be included in any future research on the influence of legislative fiscal analysts.

All of the legislative fiscal analysts in this study reported that they are trusted by the legislators. Chapter Four indicated that legislative fiscal analysts believed that trust is built by providing accurate, timely, and objective information to legislators. Therefore, trust is linked to the provision of information, an activity already established as the primary reason for legislative fiscal analyst influence. Although legislators were not asked to validate this claim with a specific question regarding trust of the legislative fiscal analyst, several legislators and agency personnel commented that trust between legislator and analyst was a reason for influence. Legislative analyst trust could also be linked to the reputation of the fiscal office. Similar to the trust issue, the legislative fiscal office was also cited as a source of influence by some of the key budget actors, including some of the legislative fiscal analysts. As discussed earlier in this chapter, if the fiscal office is respected and trusted, then those characteristics could transfer onto the individual analyst. Ultimately, however, the analyst must perform her duties and roles adequately for the legislature. Trust and the fiscal office reputation were not part of the original model of legislative fiscal analyst influence presented in this study, but should be part of future research on this topic.

Trust between analyst and legislator is likely to increase analyst influence as the legislator gains confidence in the information provided by the analyst. Therefore, when there are established relationships between analyst and legislator, analyst

influence may increase. However, these relationships may be reduced when the tenure of the legislator is short. One reason for the shortness of tenure is term limits. The comments by the analysts in those states with term limits suggest that slightly more than half of the analysts believe that they influence more senior members of the legislature rather than junior members. If this is indeed the case, then analyst influence over time could decrease in those states with term limits.

The nonpartisan nature of the analysts in this study was an unexpected reason for influence for some of the key budget actors. Although not a factor in the model of legislative fiscal analyst influence, other than one of the criteria for case selection, the ability of analysts to provide objective information to legislators in both chambers and for both political parties was seen as a source of influence for some budget actors in this study. Therefore, analysts who are able to present information in an objective and nonpartisan fashion may be seen as more influential than those who cross the line and interject their own policy preferences. Interestingly, several analysts commented that they do not seen themselves as "pushing policy" or "advocating for a particular policy" in the course of performing their duties for the legislature. Further, in responding to questions regarding whether legislators ask analysts for advice, the majority of the analysts in this study responded that they make special effort to move these questions away from advice to one of giving the legislator several policy options or alternatives. This suggests that the analysts are well aware of their role as nonpartisan staff and in fulfilling that role, some legislators and other key budget actors see analysts as influential. Future studies should include other types of staff, such as partisan staff, to compare influence between nonpartisan and partisan staffs.

Finally, there are several procedural variables impacting influence: analyst contact with other budget actors and visibility in the budget process, budget recommendation development, and primary point of influence. Legislative fiscal analyst contact with key budget actors and visibility in the budget process was one of the variables in the original model of legislative fiscal analyst influence. This research provided several instances linking influence with contact. First, there were two specific budget actors reporting little interaction or contact with the legislative fiscal analyst who reported little influence and little importance in establishing a good relationship with the analyst. Second, legislative fiscal analyst and executive budget analyst in one state who had previous worked together developed a good relationship and had frequent contact. This particular executive budget analyst perceived the legislative fiscal analyst as very influential. In addition, analysts in states where there is more opportunity to contact or interact with legislators and agency personnel were perceived to be more influential. For example, Chapter Four indicated that analysts in Maine had the least contact with legislators and agency personnel and also had the lowest perceptions of influence compared to analysts in the other three states.

The process of developing budget recommendations in Colorado and Arizona differs and this may explain why Colorado analysts are perceived to be more influential than Arizona analysts. One assumption in this research was that legislative fiscal analysts who developed budget recommendations would have higher levels of influence due to the ability of the analysts to suggest policy changes by increasing or decreasing funds, and revising programs and/or levels of service. However, the provision of budget recommendations may not always link to analyst influence. If the

budget recommendations are seen as coming from committee chairs, done in concert with or "negotiated with" the executive budget office, and/or are perceived to be "technical" recommendations as opposed to "policy" recommendations, then influence of the legislative fiscal analyst may be reduced. In Arizona, the process of developing budget recommendations seems to be more collaborative involving legislative fiscal analysts, committee chairs and members, and the executive budget analysts. In contrast, the Colorado legislative fiscal analysts seem to work more independently with less interaction with the executive budget office and committee members. This issue is ripe for future research to address more specifically the development of budget recommendations on the part of both types of analysts. The current research did not seek to directly research the development of budget recommendations, but future research should review the process in several states to see how these recommendations are made in terms of who is involved, the sources of information used, and the rationale for the budget recommendations.

Finally, the primary point of influence also conditions the type of influence exerted by the analysts. Those analysts who have the ability to be influential at the beginning of the process may be in a better position to be agenda setters. They shape the legislative debate on the budget early in the process. Whereas those analysts with influence in the latter stages of the process may provide crucial information, but the agenda is likely to have been set earlier by the legislators, state agencies, or the governor.

Differences by State

Although the variables discussed above condition the influence of the legislative fiscal analyst, there are differences in the degree of influence by state and the strength of the states on each variable. Colorado analysts have the highest perceptions of influence among the analysts in this study. These analysts performed well on the variables in this study that were expected to increase legislative fiscal analyst influence.

Colorado analysts are influential because they provide information through a variety of roles. They are influential as policy initiators because of the budget recommendations that they develop but they are also influential as facilitators and monitors. Colorado analysts are experts in a particular policy area because they have responsibility for only one or two agencies. Further, of the analysts in this study, the Colorado analysts had the longest tenure on the job. Colorado analysts are also highly visible in the budget process with two opportunities to make formal presentations before the joint budget committee, prior to the session with the summary and analysis of agency budget requests and during the session with the presentation of budget recommendations. Agency personnel, in particular, reported frequent contact with the analysts during these periods. As noted in Chapter Four, the frequency of contact between agency and analyst in Colorado was higher than in any other state. Further, when the Colorado analysts make their recommendations they seem to operate more independently from their Arizona counterparts, thus leading to the perception that they do initiate policy and thus, are more influential.

Kansas analysts are also perceived to be influential, but less so than the Colorado analysts. Kansas analysts are influential because they do what is expected of them by the legislature: to provide information and staff subcommittees. Therefore, Kansas analysts are influential as facilitators and to some extent as clerical workers. Those are very important duties as suggested by the comments from both analysts and legislatures. Although Kansas analysts have responsibility for more agencies than analysts in Colorado and Arizona, they have more tenure than analysts in Arizona and Maine. Similar to analysts in Colorado, Kansas analysts also have high visibility in the budget process due to formal presentations before the appropriations committees but also as primary staff for the subcommittees.

Although performing the same duties as their counterparts in Colorado, Arizona analysts have less perceived influence than analysts in Colorado and Kansas. Arizona analysts are influential primarily because they are facilitators, although monitoring and some policy initiating play a role in their influence. Further, Arizona analysts operate in the largest fiscal office, thus increasing their expertise in a particular policy area. Similarly to Colorado, Arizona analysts also have high visibility in the budget process by presenting information before committees, visiting with legislators, and answering questions in caucus meetings. Although Arizona analysts exhibit many of the same characteristics as their Colorado counterparts, they are less influential. This research has suggested that the differences in the process of developing budget recommendations between Arizona and Colorado analysts may condition the degree of influence. Arizona analysts are more dependent upon

legislative direction and interaction with the executive budget office than their Colorado counterparts.

Maine analysts are the least influential analysts in this study perhaps for a variety of reasons. The influence that is attributed to them stems from providing general information and fiscal notes and this is borne out in the primacy of the facilitation role for these analysts. Maine analysts do not prepare budget recommendations or policy options and this places them at a disadvantage with analysts in the other states because they have less opportunity to provide information to legislators. Further, comments from three of the four legislators suggested that analysts should play a larger role in the process by being more proactive in developing policy options for the legislature. Because they do not make presentations on their analyses of agency budget requests and due to the lack of subcommittees they are less visible in the budget process. The Maine analysts in this study also had the least amount of tenure on the job than analysts in the other states and operate in the smallest fiscal office. Therefore, tenure and expertise, two of the variables associated with influence in this study, are not present in the Maine analysts. In contrast to the other states, Maine legislators reported that analysts are more influential at the end of the legislative session. This may hinder the ability of Maine analysts to become agenda setters and shape the legislative discussion on the budget early in the legislative session. This suggests that the legislature should consider increasing the role of staff in an effort to be more competitive with the executive branch. The legislature can formally direct staff to provide policy options or recommendations, but it has to choose to do so.

In summary, the legislative fiscal analysts in this study are influential as information providers and that information can be provided through a variety of duties and roles performed by analysts. Legislative fiscal analysts provide basic information as well as identify key issues that set the parameters for legislative decision making. The last chapter of this study will compare the findings of this research with previous literature. It will also propose questions for the future study of legislative fiscal analyst influence.

NOTES

1. Information regarding budget recommendations in Arizona was also obtained for FY 2003. The results for FY 2003 were very similar to FY 2002 and therefore were omitted in this study.

CHAPTER SIX

Legislative Fiscal Analyst Influence: Summary of Findings and Future Research

Previous chapters have outlined the duties, roles, relationships, and influence of legislative fiscal analysts in the state budget process. The findings presented in the previous chapters support and expand previous research on legislative staff and legislative fiscal analysts in particular. This chapter will briefly summarize and compare the findings of this study with previous literature and discuss areas where future research should be conducted.

Summary of Research Design

This study relied primarily on data from 57 interviews with legislative fiscal analysts, legislators, agency personnel, and executive budget analysts in four states: Arizona, Colorado, Kansas, and Maine. The legislative fiscal analysts selected for this study worked in nonpartisan fiscal staff offices or nonpartisan joint committee staff offices. As discussed in Chapter Two, the nonpartisan office and joint committee represent the most common types of organizational structures for legislative fiscal staff. At the time that data collection began in October of 2001, all four states were experiencing unforeseen and rapid revenue shortfalls. Fiscal stress was an element common to the selected states as well as most states in the country. Despite the common fiscal problems, there were differences among the states on a variety of political and institutional variables. Arizona and Kansas had Republican governors and predominantly Republican legislatures, while Colorado and Maine operated under divided government. Legislators are term limited in Arizona,

Colorado, and Maine, but not so in Kansas. Although all four states conduct annual legislative sessions, Arizona and Maine biennially enact two annual budgets while Colorado and Kansas develop annual budgets. Further differences in the budget process arise with Arizona and Colorado legislatures having significant power in the budget process to create their own budget document from which legislative deliberations begin. In contrast, Kansas and Maine are "executive budget states" where the executive budget is the primary starting point for legislative deliberations. Staff duties and size of fiscal staff were also taken into account in the process of case selection. Arizona and Colorado analysts work in the largest fiscal offices and prepare budget recommendations for the legislature. Although Kansas analysts do not make formal recommendations, they do develop policy options for legislators and committees. Maine analysts work in the smallest fiscal office and have primary responsibility for analyzing the executive budget and/or agency requests. Maine analysts do not provide budget recommendations or policy options to legislators.

Summary of Findings

This research began by interviewing legislative fiscal analysts responsible for three distinct policy areas: corrections, education, and Medicaid. This study revealed no variation in duties, roles, relationships, and influence among these policy areas. Rather, variation was found among the states in several of the variables to be outlined in this chapter.

In discussing the characteristics of the legislative fiscal analysts in this study, Chapter Three (pages 99-103) found that most analysts held the master's degree, were

between the ages of 35 and 45, and were slightly more likely to be female. In this study, when comparing these characteristics with executive budget analysts, some differences arise. More women made up the ranks of legislative fiscal analysts than executive budget analysts. The executive budget analysts were younger and held slightly less tenure than the legislative fiscal analysts. The legislative analysts are more likely to hold degrees in public administration, political science, and public policy while their executive budget counterparts are more likely to be educated in business related fields. Most legislative analysts reported working previously in a state agency or a local government, while most executive budget analysts reported working in either state agencies or the private sector. However, with respect to education, similarities between the two types of analysts are found. Legislative fiscal analysts and executive budget analysts are highly educated individuals, with 86 percent holding a master's degree or doctoral degree.

Chapter Three (page 106) also revealed that legislative fiscal analysts were very pleased and satisfied with their jobs. This satisfaction draws mainly from the great variety and challenge of the job including the exciting political environment in which these analysts work. Long work hours and pressure to perform within a limited amount of time are the primary negative factors regarding work as a legislative fiscal analyst.

Legislative fiscal analysts from all four states perform many of the same duties. Chapter Three (page 138) showed that all of the analysts engaged in the review and analysis of agency requests and executive recommendations, agency monitoring, and responding to legislator requests for information. The analysis of

agency requests and executive recommendations is the primary duty for all analysts. Colorado and Arizona analysts also reported that the development of budget recommendations is a primary duty. Reflecting the strength of the legislature in Arizona and Colorado, analysts not only develop budget recommendations for the legislature, but they also draft the appropriations bills that are the basis for legislative deliberation on the budget.

From the description of duties by the legislative fiscal analysts, facilitating and monitoring are the two types of duty common to all eleven analysts. The main component of facilitation includes the review and evaluation of agency budget requests and executive recommendations, but also includes activities such as understanding the assigned agency(s) including both fiscal and programmatic issues as well as developing contacts with agency personnel and the executive budget office in an effort to collect pertinent information regarding state agencies. Facilitation also requires communication skills to effectively disseminate that information in a variety of formats to the legislator or legislative committee. Monitoring activities include tracking agency expenditures and trends in caseloads, or monitoring the implementation of a program.

Chapter Four described the frequency and nature of contact between analysts and other key budget actors, discussed the role of the analyst in the budget process and with the state agency, and described the relationships that exist between analyst, legislator, agency personnel, and executive budget analysts. Chapter Four (pages 150-157) revealed that legislative analysts have primary contact with chairs and members of the fiscal committees and provide them with information that is the basis

for legislative decision-making on the budget including summaries of agency programs and services, explanations of the historical context of agencies and past decisions, and reviews of problem areas or issues. Much of this information is provided to legislators during the budget process when the analyst provides her review and evaluation of the agency budget request and if appropriate, presentation of budget recommendations. It is during these periods in the budget process where analysts and legislators report very frequent contact with each other.

Although the majority of analysts, legislators, and agency personnel selected the facilitator role as that which best describes the legislative fiscal analyst, other roles were cited reflecting the different duties performed by the analysts as indicated on pages 188 and 189 in Chapter Four. Legislators in Kansas selected the facilitator role along with the clerical role indicating the importance of the Kansas analysts as the sole staff for the subcommittees. Likewise, Arizona and Maine analysts are perceived primarily as facilitators, but are seen as monitors as well. The policy initiator role was more prominent in Colorado with the Colorado legislator, some agency personnel, and legislative analysts in Colorado selecting the policy initiator role due to the development of budget recommendations by the legislative fiscal analysts. It should be noted that only the Colorado legislator selected the policy initiator role as the sole role for analysts among all the respondents in Colorado. Although Arizona analysts also prepare budget recommendations, less support for the policy initiator role was found for the Arizona analysts. Therefore, even though analysts develop budget recommendations in these states and this is one activity comprising the policy initiator role, the perception of analysts as facilitators is more

significant than analysts as policy initiators. Furthermore, comments from analysts and legislators indicated that analysts do not provide advice or their own opinions to legislators.

Recognizing that legislative fiscal analysts are instrumental in providing information to legislators on agency programs and fiscal issues, the majority of agency personnel reported on pages 207 and 208 in Chapter Four that it is very important for them to establish a good working relationship with the legislative fiscal analyst. The relationship between analyst and agency is symbiotic. Comments from analysts and agency personnel suggest a need for these budget actors to work together in responding to legislative inquiries and assisting in legislative decision making on the budget. Contact between analyst and agency is heavy during the periods where analyst review agency budget requests and make recommendations. This contact mirrors the point in the budget process where both analysts and legislators reported heavy contact with each other. However, legislative fiscal analyst contact with the executive budget analysts is not as uniform as the contact with the other budget actors. Differences in contact vary by state and by individual analyst, perhaps reflecting the state specific legislative-executive relationship in the budget process as well as personal relationships among the analysts. Executive budget analysts, as a group, reported less importance in establishing a good relationship with the legislative fiscal analysts than agency personnel, although some individual executive budget analysts reported that it was very important to establish a good relationship with their legislative counterparts (Chapter Four pages 229 and 230). A more independent relationship between the two types of analysts is apparent in Colorado where analysts

there have less contact with each other than that reported by the analysts in the other three states under study.

Chapter Five (pages 243 and 244) found that the majority of respondents perceived legislative fiscal analysts to be influential in the budget process. In addition, legislative fiscal analyst budget recommendations in Arizona and Colorado were similar to the final legislative appropriations in those states further indicating analyst influence. Legislative fiscal analysts are primarily influential in the budget process because they are information providers. Information can be provided through the many duties and roles identified for the analysts. Analysts exert influence by providing the information that is the basis for legislative deliberation and decision making on the budget as well as shaping the parameters of decision making by identifying key issues and problems for legislators.

The remainder of this chapter will discuss these findings in relationship to previous research, explore new variables that should be included in future research, explain the contribution of the current research to the study of legislative fiscal analysts, and provide future research questions for the study of legislative fiscal analysts. The next section will compare the findings of this study to previous literature regarding legislative fiscal analyst characteristics, relationships with key budget actors, and the role played by legislative fiscal analysts in the state budget process.

Legislative and Executive Analyst Characteristics

The legislative fiscal analysts in this study had similar background characteristics to legislative analysts in previous studies (Aro and Swords 2000;

Willoughby and Finn 1996). The findings regarding legislative fiscal analyst demographic, educational, and professional characteristics generally support a study by Willoughby and Finn (1996). Although Willoughby and Finn's study found that the typical legislative fiscal analyst is male, the current study found the analysts to be almost equally divided between male and female. Other analyst characteristics in this study were quite similar to previous research. In Willoughby and Finn's study, the average age of the legislative analyst was about 39 with six years of job experience, held previous employment in a state agency, and had completed a master's degree typically in business or public administration. These characteristics were present for the analysts in this study as well.

One of the key budget actors that the legislative fiscal analyst interacts with is the executive budget analyst. There is significant research on the background characteristics of executive budget analysts (Gosling 1987; Lee 1991; Lee 1997; National Association of State Budgeting Officers 1999; Thurmaier and Gosling 1996; Tomkin 1998; Yunker 1990). In the current study, both types of analysts were highly educated with the majority holding master's degrees, however, the legislative analysts are more likely to hold degrees in public administration, political science, and public policy while their executive budget counterparts are more likely to be educated in business related fields. More women made up the ranks of legislative fiscal analysts than executive budget analysts and overall the executive budget analysts were younger and held slightly less tenure than the legislative fiscal analysts. Most legislative analysts reported working previously in a state agency or a local government, while most executive budget analysts reported working in either state

agencies or the private sector. The higher presence of previous employment in the private sector for executive budget analysts is linked to the higher presence of business related degrees among this group. Executive budget analysts may be pulled from the ranks of the private sector more frequently than legislative fiscal analysts and those executive budget analysts from the private sector are more likely to have business or accounting degrees. Some recent research has indicated that executive budget analysts are moving away from more traditional business degrees to public policy and public administration degrees reflecting the change from monitoring to more policy analysis (Lee 1997; Thurmaier and Gosling 1996; Tomkin 1998). However, in this study, the majority of executive budget analysts held the more traditional business degrees.

Although this study only included eleven legislative fiscal analysts, the characteristics of the respondents were similar to larger studies of legislative fiscal analysts (Willoughby and Finn 1996) and legislative staff in general (Aro and Swords 2000). Therefore, the findings reported in this study are based on comments from legislative fiscal analysts with characteristics that are representative of analysts in larger studies, thus increasing the validity of the current study.

Legislative Analyst Relationships with Key Budget Actors

The relationship between analyst and legislator is one where the analyst provides fiscal information through a variety of duties most often to legislators who sit on the fiscal committees. Although analysts in different states reported different patterns and degrees of contact with the legislators on the fiscal committees, similar types of information are provided to similar legislators during key periods in the

budget process. Although analysts provide information to all members of the legislature, analysts in this study reported working primarily for members of the fiscal or budget committees. This study supports previous research showing that "rank and file" legislators receive little direct support from legislative fiscal staff (Rosenthal 1971). The key periods of contact between analyst and legislator are the presentation of the agency budget requests and, for those analysts in Arizona and Colorado, the presentation of budget recommendations. Analyzing agency budget requests and developing budget recommendations are the primary duties performed in the budget process by the legislative fiscal analysts as discussed on page 139 in Chapter Three. In Chapter Four (page 178), analysts reported that they are trusted by the legislators to provide honest, reliable, objective, and nonpartisan information. The analysts provide information under modest amounts of direction from the legislators but with a great deal of discretion in summarizing and analyzing agency budget requests and in pointing out areas of concern in an agency's budget request.

Just as there are periods of heavy contact between analyst and legislator, the same is true between analyst and agency. The key periods in the budget process, the review of the agency budget requests and the development of budget recommendations, elicit the most frequent contact between analyst and agency personnel. The nature of this contact centers on the agency budget request and legislation or proposals that could impact the agency's budget. The analyst/agency relationship is symbiotic. Analysts and agency personnel use each other as sources of information. On the analyst side, state agencies are the starting point for getting clarification and justification concerning the agency budget request. On the agency

side, state officials rely on analysts to keep them abreast of legislative activity concerning their agency's budget and for disseminating key information regarding their agency to legislators. The relationship between analyst and agency is extremely significant and is reflected in the importance that agency personnel place in establishing a good relationship with the legislative fiscal analyst. These findings are consistent with previous research showing that agency budget officials feel it is important to maintain good relations with legislators as well as legislative fiscal analysts (Duncombe and Kinney 1987). The current research provides additional support for the importance of this relationship because actors, in addition to agency budget officials, were interviewed. These additional actors also included agency legislative liaisons and agency directors. The comments from each group suggest that trust and respect is necessary so that each group feels comfortable accepting the information provided by the other. As key actors in the budget process, analysts and agency personnel must work together to respond to the various information requests by legislators.

Relationships between legislative fiscal analysts and executive budget analysts vary among states and among analysts within the same state as revealed on pages 228-234 in Chapter Four. While performing similar duties, each type of analyst has a different boss with a different agenda and this leads to some secrecy, competition, and disagreement between the two groups of analysts. In Colorado, where analysts are responsible for preparing budget recommendations for their respective bosses, competition, less interaction, and even secrecy surrounding the budget recommendations conditions the relationships. In Arizona and Kansas, analysts from

both sides rely upon each other for information, to verify calculations, and to assess the plausibility of a proposal. Kansas analysts report very collegial relationships, perhaps due to the fact that the legislative fiscal analysts do not make budget recommendations, and therefore, pose no threat to the executive budget staff. In Maine, a more lopsided relationship occurs where perhaps a weaker legislative staff is forced to rely on the executive budget staff for much of the information provided to the legislature. The relationship between legislative fiscal analyst and executive budget analyst may in fact, mirror the relationship between the legislative and executive branches. Stronger legislatures allow their staffs a larger role in the process, through the development of policy options and budget recommendations. This, in turn, may condition the relationship between legislative and executive staff.

Legislative Analyst Roles

Most of the key budget actors in this study reported multiple roles for the legislation fiscal analyst, although the facilitator role was selected most frequently from among clerical worker, agency advocate, monitor, and policy initiator. There were some role differences among the states in this study. Few legislators perceived analysts to be policy initiators (page 189 in Chapter Four), even among those fiscal analysts who develop budget recommendations, although the policy initiator role was most closely associated with the Colorado legislative fiscal analysts, signaling the importance of the development of the budget recommendations. The lack of perceived policy initiation, particularly in Arizona this may be perplexing, but perhaps can be explained by the fact that in the course of developing budget recommendations, information is analyzed and disseminated to legislators, a key

component of the facilitation role. Further, a policy initiator is defined as an individual who proposes new programs or services and/or changes in existing programs and services. In many cases, this is done at the request of the legislators and, at the very least, it is the legislators themselves who have the final say as to whether a proposal made by an analyst is accepted, rejected, or modified. Facilitation is the primary role for Kansas and Maine analysts.

When comparing the roles of legislative fiscal analysts and research on the roles of executive budget analysts, differences arise. Although the general duties of both types of analysts are similar in that each has responsibility for a specific policy area and each provides information to their bosses regarding agency budget requests, the nature of their jobs differ, and therefore, their roles differ as well.

When analyzing the roles of executive budget analysts, Thurmaier and Willoughby (2000) found that executive budget analysts report multiple roles with respect to their assigned agencies that included advocate, facilitator, adversary, policy analyst, and other. This is quite similar to the responses given by legislative fiscal analysts, as the majority of analysts reported multiple roles with respect to their assigned agencies. In the case of executive budget analysts, however, the advocacy role was the most frequent role choice whereas the facilitator role was the most frequent choice for most of the legislative analysts. In explaining the selection of the advocacy role for executive budget analysts, Thurmaier and Willoughby (2000) argue that most executive budget offices are attempting to move away from the traditional role of "antagonist" or "naysayer." In the advocacy role, the executive budget analyst presents the agency's highest priorities in the best light possible to the

governor. The degree of advocacy is often contingent upon the relationship between the executive budget analyst and agency officials and the amount and quality of information provided by them. The necessity of building a good relationship with the executive budget analyst in order to secure agency budget requests is supported by Duncombe and Kinney (1987). They find that agency officials understand the importance of establishing a good relationship with the executive budget office and work to enhance this relationship.

Interestingly, while agency officials in this study overwhelmingly responded that it was either "very important" or "important" to establish a good relationship with the legislative fiscal analyst, no agency official or legislative fiscal analyst selected the advocacy role with the legislative fiscal analyst that they interact with most frequently. When legislative analysts are responding to information requests or identifying agency issues and needs, advocacy may occur, but it is not a role that characterizes the relationship between legislative analysts and agencies according to the responses from these groups. Differences in roles between legislative fiscal analysts and executive budget analysts reflect the different positions of the analysts. While some research shows that executive budget analysts are moving away from the monitor role (Lee 1997; Thuramaier and Gosling 1997; Tomkin 1998), agency control is very important for the legislative fiscal analyst due to legislative oversight of the executive branch agencies. In this light, analysts identified the monitor role as the second most frequent role that explains their relationship to state agencies, particularly for the analysts in Arizona and Colorado.

Legislative Fiscal Analyst Influence

In this study, the majority of all respondents perceived legislative fiscal analysts to be very influential or influential in the state budget process (pages 243 and 244 in Chapter Five). Of the four groups interviewed, legislative fiscal analysts perceived themselves to be more influential than the other three groups, even as two analysts from the same state reported no influence. This is not surprising as individuals often rate themselves higher in self-assessments. Overall, agency personnel perceived more influence for legislative fiscal analysts than legislators due to the relationships built between analyst and agency. Legislators also perceived high influence as a group, although slightly less than the agency personnel and the analyst self-assessment. This is explainable due to the fact that legislators see themselves as the body with the final say on decisions. Not surprisingly, the executive budget analysts perceived the least amount of influence due perhaps to competition with the legislative analyst or the fact that many of these analysts can do their jobs without much contact with each other.

The results from this analysis can be compared with an earlier study on key budget actor views of legislative fiscal staff influence. Balutis (1975) interviewed House and Senate members of the New York legislature in the late 1960s and found that 96 percent of the 51 legislators interviewed perceived staff to be either "very influential" or "influential." Similar results were obtained from executive branch officials, including members of the governor's staff, executive budget office, and agency personnel as 80 percent reported that legislative analysts were either "very influential" or "influential." Overall, the Balutis study finds a slightly higher

percentage of legislators and agency personnel reporting that staff were "very influential" or "influential" than those legislators and agency personnel in the current study. However, Balutis only reports findings from one state at a period in time when the New York legislature had just recently expanded the number of fiscal staff in both the House and the Senate. The high influence perceived by the legislators and executive branch officials in New York may have been due to the recent staff expansion and visibility in the budget process at that particular period in time.

Variables Conditioning Influence

Analysts as Information Providers

When assessing the source of influence, the legislative fiscal analysts in this study are influential in the budget process because they are information providers as revealed in Chapter Five, pages 258-280. They provide the information that becomes the basis for legislative deliberation and decision making on the budget. From the legislative perspective, the most useful information provided by analysts is that which gives a broad picture and historical analysis of agency expenditures and programs, key issues confronting the agency, and explanation of past decisions. For the most part, the legislative analysts in this study believe that the analysis of agency requests and the development of budget recommendations are the most useful types of information provided to legislators.

This provision of information can occur through all of the primary duties and the various roles identified for legislative fiscal analysts: clerical worker, monitor, facilitator, and policy initiator. Information is provided to legislators when analysts

monitor agency expenditures, analyze agency budget requests, prepare fiscal notes, develop policy options and budget recommendations, and even when analysts staff subcommittees, the potential arises to disseminate information to legislators. Although the primary duty cited by all analysts in each state was the analysis of agency budget requests, some differences in duties arise among the analysts. Arizona and Colorado analysts cited the preparation of budget recommendations as a primary duty along with analyzing the agency budget request. Kansas analysts reported the important clerical task of staffing subcommittees as a secondary duty for the legislature. Maine analysts commented that fiscal note preparation was a significant, but secondary duty performed for the legislature.

The degree of influence differs by state. Colorado analysts have the highest perceptions of influence among the analysts in this study as shown on page 245 in Chapter Five. They are influential as policy initiators because of the budget recommendations that they develop, but they are also influence because they provide basic information. Kansas analysts are also perceived to be influential, but less so than the Colorado analysts. Kansas analysts are influential because they provide information and staff subcommittees. Therefore, Kansas analysts are influential as facilitators, and to some extent as clerical workers. These are very important duties as suggested by the comments from both analysts and legislators. Although performing the same duties as their counterparts in Colorado, Arizona analysts have less perceived influence than analysts in Colorado and Kansas. Arizona analysts are influential primarily because they are facilitators, although monitoring and some policy initiating play a role in their influence. The perceptions surrounding how

budget recommendations are developed appear to differentiate Arizona analysts from Colorado analysts. Comments suggest that Arizona analysts are more dependent upon legislative direction and interaction with the executive budget office than their Colorado counterparts.

Maine analysts are the least influential analysts in this study perhaps for a variety of reasons. Maine analysts do not prepare budget recommendations or policy options and this places them at a disadvantage because they have one less opportunity to provide information to legislators. They do not make presentations on their analyses of agency budget requests and due to the lack of subcommittees, they are less visible in the budget process. They also had the least amount of tenure on the job than analysts in the other states. Further, some Maine legislators would like to see analysts play a larger role in the budget process by being more proactive and develop policy options for the legislature.

How does the current study compare with previous research on the influence of both legislative fiscal analysts and executive budget analysts? Previous research suggests that legislative analysts are influential primarily as information collectors and agenda setters with staff influence connected to information gathering, types of information sources used, and presenting information to legislators (Balutis (1975b; Gray and Lowery 2000; Guston, et al. 1997; Hammond 1990; Kingdon 1984; Patterson 1970; Whiteman 1995). Research on executive budget analysts also links influence and information provision. Tomkin (1998) argues that examiner decisions determine the structure of analyses and the options provided to senior officials.

The current study on legislative fiscal analysts supports the influence of staff as information providers. Further, analysts exert different types of influence through information provision. Basic fiscal and historical information about an agency's budget provides the background or the foundation for budgetary decisions. However, when analysts summarize and simplify agency budget requests by parsing out information to legislators, pointing out areas of concern, or identifying key issues, they shape legislative deliberation and debate. Analysts narrow the range of legislative discussion by identifying issues, developing policy alternatives, or making specific budget recommendations. Therefore, analysts engage in agenda setting where they are influential in determining what issues get elevated to the attention of the decision makers.

Weissert and Weissert (2000) suggest that influence is a product of information gathering, agenda setting, and proposal shaping. Their study of legislative health policy analysts and fiscal analysts in five states finds that analysts are almost always influential as information gatherers, but less so as agenda setters and proposal shapers. Weissert and Weissert define information gathering as the collecting and reporting of unbiased findings to legislators. Agenda setting occurs when analysts place items on the policy agenda by bringing issues to the attention of legislators or by developing ways to save money in a particular program. Proposal shaping is defined as persuading members to choose one option over another or staff estimating the impact of a proposed change. Weissert and Weissert found little evidence of the latter two types of influence, although fiscal staff provided more examples of agenda setting and proposal shaping than the health policy staff. The

comments from the key budget actors in this study point to legislative fiscal analysts as information gatherers, agenda setters, and proposal shapers.

The analysts in this study certainly collect and disseminate data objectively to the legislators. They also set the agenda by reducing complex and large agency budget requests down to more narrowly defined areas and by bringing key issues to the forefront. When it comes to proposal shaping, this study found no evidence of proposal shaping as defined by Weissert and Weissert. There is no evidence that legislative fiscal analysts persuade members to choose one policy option over another. In fact, many legislative fiscal analysts were quick to comment that they do not try to persuade members or directly influence their decision making. However, many analysts do engage in calculating the impact of proposed legislation or proposed policy options. Therefore, they shape decision making by presenting options, but not by persuading legislators to choose one option over another.

The current study supports some aspects of research done by Snow and Clarke (1999). These researchers suggested that nonpartisan legislative fiscal offices are of two distinct staff types: facilitators and leaders. Snow and Clarke's facilitator category is synonymous with this study's facilitator role. In their study, they argued that facilitators provide "technical support in budget hearings" by preparing information that is the foundation for legislator decisions on the budget (Snow and Clarke 1999, 15). This study supports their argument. Leaders, however, represent fiscal analysts who make recommendations in budget hearings and are "agenda setters through [the] presentation of preferences" (Snow and Clarke 1999, 15). The current study indicates that agenda setting occurs in the facilitator role as well

because analysts are expected to inform legislators of key agency issues, potential problems, and areas of concern. Therefore, analysts have the ability to influence the agenda by selecting the issues for legislative debate and they do this not solely as "leaders" but as "facilitators" as well.

The previous discussion concludes that legislative fiscal analysts are influential by providing information to legislators that assist them in making decisions on the budget. Furthermore, analysts are in a position to shape the discussion on the budget by identifying key issues through their analysis of agency requests, providing policy options, and preparing budget recommendations. Therefore, all analysts in this study have the potential to influence the legislature on the budget decision, although those analysts in states providing both policy options and budget recommendations, in addition to basic budgetary information, are in a better position to do so than analysts who lack the ability to engage in the first two activities. This research found other reasons for influence in addition to the provision of information. Some of these variables were part of the original model of legislative fiscal analyst influence and some are new variables and potential sources of influence that should be included in any future study on legislative fiscal analysts. The variables found to be linked to legislative fiscal analyst influence will be discussed below.

Legislative Fiscal Analyst Tenure

Tenure on the job can impact the ability of analysts to provide information and develop budget recommendations. Various comments from the respondents indicated that tenure on the job was a factor in the influence of the analyst as

indicated on page 281 in Chapter Five. An analyst who has been on the job a number of years working with one agency or policy area has the expertise to convey information about the agency and its programs to the legislature.

Legislative Fiscal Analyst Expertise

In Chapter Five (page 283), various comments from the budget actors confirm that analysts as are seen as experts and that this expertise is a reason why analysts are influential. Legislators report that they if they need specific information about an agency's budget, they most often go to the legislative fiscal analyst assigned to that agency. The current study supports previous research (Weissert and Weissert 2000) indicating that staff expertise is a good predictor of analyst influence.

Legislator Tenure in Office

One of the more interesting questions today is the impact of term limits on the legislative process. Conventional wisdom concerning term limits contends that the loss of legislative expertise and knowledge of the legislative process due to term limits may cause a power shift toward other actors. In those states with legislative term limits, it is expected that fiscal staff may have more influence due to the inexperience of term-limited legislators. Some research indicates that in term-limited legislatures, power shifts to legislative staff and sometimes to committee chairs (Carey, Niemi, and Powell 2000). An ongoing study by the National Conference of State Legislatures finds that legislative staff report that they exert more influence in the legislative process as a result of term limits (NCSL 2000). In some of the early research on staff influence (Patterson 1970a, 1970b), higher levels of influence were

associated with inexperienced committee chairmen or junior members who are just learning the ropes. From this body of research one can argue that term limits reduce the knowledge of members, thus increasing staff influence.

However, there is a growing body of literature presenting a different view of the impact of term limits with regard to the influence of legislative staff. DeGregorio (1995) found that as congressional committee chairs accumulate experience, they also develop more independence from staff, indicating less staff influence with legislator tenure. Some analyst comments in this study support the view that legislators who have been in office longer are influenced more. Although six of 11 (55%) analysts in this study reported influencing more seasoned legislators the most, the remaining analysts either could not make a judgment or reported influencing both kinds of members (pages 293-298 in Chapter Five). This study does not offer a definitive answer on who is influenced the most by legislative staff although it appears that members with more tenure are either thought to be influenced the most or at least influenced as much as newly elected members. Further, some scholars argue that term limits will reduce the trust between legislators and staff where the member may be more prone to get information and advice from sources other than staff (Weberg 1999; Weissert and Weissert 2000). In fact, DeGregorio (1995) argues that committee chairs are more likely to delegate authority to congressional staff aides with whom they have a longstanding and comfortable relationship. Therefore, when there are established relationships between analyst and legislator, analyst influence may increase. Term limits are likely to reduce these relationships and analyst influence is likely to decrease in those states with term limits.

LFA Contact with Budget Actors and Visibility in the Budget Process

Comments from key budget actors indicated that when analysts have frequent contact with legislators, agency personnel, and executive budget analysts, the perception of analyst influence is higher. Further, this study found that those analysts operating in offices where they are given the opportunity to be visible in the process are perceived to be more influential (Chapter Five, pages 288-289). The opportunities for visibility include staffing committees, presenting information before committees and caucuses, and appearing the house and senate chambers when appropriation bills are being debated.

The variables discussed above were part of the original model of legislative fiscal analyst influence introduced in Chapter Two of this study. However, other potential variables were identified through the interviews. These variables are discussed below.

Legislator Trust of LFA

This study found some support for a linkage between legislator trust of the legislative fiscal analyst and influence (Chapter Five, page 300). There appears to be such a linkage in this study as well as previous studies. Future research should include a trust variable and in order to assess the impact of trust on influence all budget actors (legislative fiscal analysts, legislators, agency personnel, and executive budget analysts) should be asked if legislators trust legislative fiscal analysts. Further, comparisons of trust should be made between term limited states and non-term limited states as it appears that term limits could reduce trust between analyst

and legislator. It is expected that that legislative trust of analysts will increase legislative fiscal analyst influence.

Fiscal Office Reputation

A positive perception of the legislative fiscal office was linked to analyst influence in this study as revealed on pages 301-302 in Chapter Five. If the analyst works in an office that is respected and trusted, one assumes that the analyst will also be respected and trusted. Future research should include a legislative fiscal office variable. It is expected that a respected legislative fiscal office will increase legislative fiscal analyst influence.

Type of Staff

This study found that the nonpartisan nature of staff was a source of influence for some of the key budget actors interviewed (Chapter Five, page 255). In fulfilling their role as analysts operating in nonpartisan offices, analysts are expected to provide objective information to all members of the legislature. This study indicated that analysts who do this are thought to be influential by some of the key budget actors. Future research should include a staff variable and compare perceived influence among nonpartisan and partisan staff.

The Process of Budget Development

This study assumed in the original model of legislative fiscal analyst influence that analysts responsible for preparing budget recommendations would be more influential than analysts without this responsibility. The current research provides

support for this assumption, but also indicates that the process of developing those budget recommendations can condition the degree of influence (Chapter Five, pages 271-279). Future research should study how analysts make the recommendations and the types of individuals involved in the process. It is expected that analysts with more independence in preparing their own recommendations will be perceived more influential than analysts who rely on other key budget actors in the preparation of budget recommendations.

Primary Point of Influence

The point of legislative fiscal analyst influence differed in this study and could impact the degree of influence and the kind of influence exerted by legislative fiscal analysts. In this study, the analysts who influenced the budget at the beginning of the process were perceived to be more influential than those analysts who influenced the budget at the end of the process (Chapter Five, pages 303-307). Therefore, it is expected that analysts with the opportunity to influence the budget at the beginning of the process will be more influential due to their ability to shape the decision making of the legislators.

Are Legislative Fiscal Analysts Too Influential?

In addition to discovering the factors associated with legislative fiscal analyst influence, this research adds to the growing debate over un-elected individuals, such as analysts, usurping the decision making powers of elected officials. Because anecdotal evidence and empirical research indicates legislative staffers are influential, some scholars have questioned the role of staff in the policy process. There are two

primary arguments against the widespread use of legislative staff: 1) staffers, as experts, give advice and make decisions as unelected individuals not accountable to citizens and 2) staff come between the elected official and her constituents, thus subverting the representative process. Therefore, many scholars have questioned the growth and technical expertise of legislative staff, particularly at the congressional level, and claim that legislators abdicate their responsibilities for lawmaking by deferring too often to experts among their staffs (Kofmehl 1962; Malbin 1980; Meller 1952; Meller 1967; Patterson 1967). In fact, Price (1971) identified some congressional staff as entrepreneurial when they develop policy options, negotiate deals, and push specific policies. Malbin (1977, 1980) further argues that staffs increase the workload of the members, thus reducing their ability to directly interact with each other to solve the nation's most pressing problems.

Are the analysts in this study entrepreneurial? Do they give advice? Do they drum up new business for state legislators? The analysts in this study operate in nonpartisan offices and several analysts commented that they do not see themselves "pushing policy" or "advocating for a particular policy outcome" in the course of performing their duties for the legislature. Further, several budget actors commented on the ability of analysts to remain nonpartisan and present objective information to the legislature. In responding to questions concerning advice, the majority of the analysts in this study responded that they make special effort to avoid giving advice to legislators by giving the legislator several policy options or alternatives. This suggests that the analysts are well aware of their role as nonpartisan staff and in

fulfilling that role, some legislators and other key budget actors see analysts as influential.

However, two minority legislators in this study commented that perhaps the analysts received too much direction from the majority party or the chairs of the appropriations committee. These comments suggest that while analysts in this study operate in nonpartisan offices, if work is primarily performed for the chairs of the committee, then the majority party is likely reap more benefits from the staff than the minority party. In fact, some of the analysts were aware of this perception by the minority legislators. These analysts commented that they try to "go out of their way" to provide information and services to the minority party because of this perception.

In determining whether analysts increase the workload of legislators, little evidence was found supporting this assertion. Legislative fiscal analysts were asked to describe the kinds of projects that they undertake at their own initiative. Several observations can be made. First, not all analysts reported undertaking projects at their own initiative. Second, no analyst reported undertaking an unsolicited project unrelated to any of the policy areas under their purview. Third, for those that did report undertaking projects, they did so only in the context of the policy areas under their review. Most of these projects serve as educational or informational projects where the analyst attempts to learn more about his/her agency or specific program. Analysts undertake projects to educate themselves to inform legislators. They do initiate projects but the projects are within the confines of their role as facilitator. Analysts tour state agency facilities with agency personnel and members of the legislature, update existing models for caseload projections, and educate themselves

on new agency programs and services. Analysts engaging in these kinds of activities do report that they share this information with members and this could lead to more work on the part of the legislator, however, one can also argue that these activities improve the information given to legislators.

Comments from key budget actors in this study indicate that these analysts appear to be following an appropriate role for nonpartisan staff. Appropriate legislative staff relationships with state legislators are most clearly described in the Model Code of Conduct for Legislative Staff developed by legislators, legislative staff, and the National Conference of State Legislatures in 1996. According to this code, the staff role is to support the state legislature, without credit claiming or the appearance of being influential. The Code promotes the ideals of trustworthiness, objectiveness, and fairness by encouraging staff

> ... To give the legislature the full benefit of their knowledge and skills without usurping the authority to make legislative decision, which has been exclusively delegated to legislators. A trustworthy legislative staff member provides objective advice, information, and alternatives to legislators, independent of the staff member's personal beliefs or interests or interests of third parties. A trustworthy staff member avoids activities that conflict with this objectivity or give the appearance of conflict. A trustworthy legislative staff member treats all legislators with equal respect and provides services of equal quality to all legislators to whom he or she is responsible (National Conference of State Legislatures, 1996).

Therefore, this study indicates that the legislative fiscal analysts interviewed are not influencing legislators by giving advice, making decisions for them, or promoting their own policy preferences.

Suggestions for Fiscal Staff Offices

What can legislative fiscal offices do to increase the contribution of legislative fiscal analysts in the legislative decision making process on the state budget? Several suggestions can be made. First, due to the advent of term limits, some type of legislative orientation becomes a crucial function. Many analysts remarked that those members with less tenure could not identify fiscal staff, the fiscal staff office, or the services offered by staff. Second, analysts with the greatest influence seem to be located in offices where analysts are more visible in the process. Legislative fiscal offices may want to consider giving analysts the opportunity to present budget analyses to committees in order to increase analyst exposure. Third, knowledge of an agency or expertise was cited as a reason for influence by many of the key budget actors in this study. Fiscal offices should consider expanding staff to give analysts an opportunity to specialize in one policy area or agency. However, this expansion must come from the legislature and based upon recent staff studies by Weberg (1997) indicating that legislative staff growth has declined in recent years, plus the current fiscal crisis in the states, staff expansion is not likely to occur.

Contributions of Current Research

This research focuses on a specific type of legislative staff: the legislative fiscal analyst. Legislative fiscal staffs provide a great variety of services to the legislature such as the review and analysis of agency budget requests and executive recommendations, fiscal analysis of bills, monitoring of agency expenditures, drafting bills and amendments, gathering and disseminating a variety of fiscal and

programmatic information, and in some cases, making budget recommendations to legislative committees. Given that fiscal staffs provide these types of services that assist legislators in making decisions about the budget, it is important to understand their role in the development of budget policy.

Despite this crucial role in the budget process, little recent attention has been paid to this group of key budget actors. Although several studies assessed the basic duties and characteristics of legislative fiscal staff in the 1960s and 1970s, the academic community has been largely silent about these players in the state budget process since that time. The current research fills a gap in the literature on legislative fiscal analysts and provides a framework for future research in this area.

The current research supports and adds to the existing body of work on legislative fiscal analysts by further defining the factors linked to legislative fiscal analyst influence in the state budget process. This study found that the primary variable linked to influence is the ability of analysts to provide budgetary information to legislators. This is also the conclusion of previous studies on legislative staff and legislative fiscal analysts (Patterson 1970a; Snow and Clarke 1999; Weissert and Weissert 2000). Analysts exert this influence by not only providing the basic information about the budget but also as agenda setters. Unlike a previous study (Snow and Clarke 1999), indicating that agenda setting occurs with staff who develop budget recommendations, the current study indicates that agenda setting also occurs among those analysts who do not develop budget recommendations. Agenda setting refers to shaping the decision making parameters by developing policy options and

identifying key issues and concerns, activities undertaken by analysts who are not given the responsibility of making budget recommendations.

This study supports previous research (Weissert and Weissert 2000) indicating that legislator trust in the analyst and analyst expertise are important variables conditioning influence. In addition to trust and expertise, the current research identifies new variables linked to influence that have not been variables in past research, but should be included in future studies on legislative fiscal analyst influence. These variables include fiscal office reputation, the process of budget development, the primary point of influence, and the type of staff.

In addition to identifying new variables for future studies, the current study sheds light on whether legislative fiscal analysts are too influential in the budget process by giving advice, making decisions for legislators, and promoting their policy preferences. This study provides no support for these activities. Comments from both analysts and other budget actors reveal that analysts are fulfilling their role as nonpartisan staff. Several analysts commented that they do not see themselves "pushing policy" or "advocating for a particular policy outcome" in the course of performing their duties for the legislature. In responding to questions concerning advice, the majority of the analysts in this study responded that they make special efforts to avoid giving advice to legislators by giving the legislator several policy options or alternatives. Further, several budget actors commented on the ability of analysts to remain nonpartisan and present objective information to the legislature.

Future Research

This study sets the stage for more research on legislative fiscal analyst influence. In addition to the new variables that should be considered for future research discussed earlier in this chapter, other issues should be included in studies on legislative fiscal analysts.

The current study examined a small number of analysts in nonpartisan fiscal offices. The first avenue of future research should expand the number of analysts studied to include analysts within other legislative staff structures. Chapter Two identified five different staff structures. Future research should address these questions: Are there differences in the degree of influence among nonpartisan central staff, separate House and Senate committee staff or office staff, and partisan or caucus staff? What are the factors that condition possible differences in influence among these differing staff structures? Is the level of trust between analyst and legislator similar or different in the partisan staff offices?

The second avenue of research should focus on the sources of analyst information. If analysts provide the basic information that legislators use to make decisions, then we should be concerned about where they get their facts. Where do analysts get their information and does this condition the content of the information? How do analysts decide what issues to elevate to the attention of the legislators?

The third avenue of research should determine the types of duties performed by all fiscal staffs. Do we see a trend toward a more active role for staff in terms of providing policy options and recommendations to the legislature? How many state legislatures allow their legislative staff to make budget recommendations? Are there

differences in the duties and roles among the various staff structures? This study suggested that budget recommendations were definitely a source of influence for the Colorado analysts, but perhaps less so for the Arizona analysts. Research should be conducted on how budget recommendations are made to further analyze the link between recommendations and influence. If such a link persists, are the legislatures more powerful in terms of their relationship with the executive? Are analysts who make recommendations located in strong state legislatures or do strong state legislators allow their analysts to make recommendations? What difference does this make in terms of the outcome of the budget?

Conclusion

The current study represents an attempt to focus on a group of key budget actors that has previously been neglected in research on the state budget process. The current research explored the characteristics of legislative fiscal analysts and the relationships built between analysts and other key budget actors. The main goal of the research sought to assess the influence of legislative fiscal analysts and the factors associated with this influence. Legislative fiscal analysts in this study were found to be influential primarily because they provide information to legislators and shape the decision making process of legislators. This research adds to previous literature on this subject by testing a model and suggesting refinements for future testing of legislative fiscal analyst influence. Further, the researcher hopes that the current research will promote additional study on these essential actors in the decision making of legislators.

APPENDIX A

Interview Questions - Legislative Fiscal Analysts

Section 1: Demographic/Professional Background

1. How long have you worked in the legislative fiscal office?
2. What is your age?
3. What is your current position or official title?
4. How long have you held your current position?
5. What is the highest degree attained?
6. What was your academic major in highest degree attained?
7. Where did you work prior to attaining current job?
8. Why did you choose your job with the legislature?

_____ work is interesting/challenging
_____ interest in politics
_____ to serve public
_____ to help formulate public policy
_____ opportunities for advancement
_____ job security, pay, benefits
_____ other, explain

8a. What is the most important reason?

Section II: Questions concerning the nature of your work during the budget process.

9. How many state agencies do you have responsibility for?
10. What do you do for the legislature when it is making decisions specifically about the budget?
11. What do you see as your **primary duty** as an analyst in terms of what you do for the legislature when it is making decisions specifically about the budget?
12. Do you attend budget hearings/committee hearings on the budget?

_____yes _____no

12a. If yes, what do you do in the budget hearings?

13. Are you present in the House and/or Senate chamber when appropriation bills come up for debate?

____yes _____no

13a. If yes, why are you there?

Section III: Question concerning interim duties.

14. What do you do for the legislature during the interim?

Section IV: Questions concerning direction and discretion:

15. Are you given policy direction by members of the legislature, committee, or committee chair in terms of the information and/or recommendations that you provide to them? In other words, are you told that specific items should be increased, decreased, or that certain things are off the table in terms of discussion or what issues to focus on, etc?

_____ yes _____no

15a. If yes, describe the kind of direction given or provide examples.

16. How much discretion do you think you have in providing information or making recommendations to legislators?

_____ a great deal of discretion
_____ some discretion
_____ no discretion

16a. Why?

Section V: Questions concerning information provision:

17. How do you get your requests for information from legislators?

_____ directly from legislator _____ from other legislative staff

_____ other, explain

_____ from supervisor/director _____ from other legislative fiscal analyst

18. How do you usually provide information to members?

_____face to face (verbally)

_____in written form (letter, position paper)

_____through a supervisor or director

_____formal presentation to members of committee

19. What is the most common method of providing information?

20. What method do you think is most effective?

20a. Why?

21. What kinds of information do you most frequently provide during budget process?

21a. What kinds of information do you most frequently provide during the interim?

22. From the kinds of information that you provide legislators, what kinds do you think are most useful for them?

23. To what extent do you think legislators rely on you for information?

_____ a great deal

_____ some

_____ little or none

24. Do legislators ask you directly for advice?

_____yes _____no

24a. If yes, do you

_____give it freely

_____tell member that giving advice is not the job of staff

If you give advice freely, on what basis do you do so?

25. What is your opinion of the trust members have in you?

_____a great deal of trust

_____some trust

_____no trust

25a. Why?

26. How do you build trust?

27. Who do you come into contact with the most?

_____individual members of the legislature

_____committee members

_____committee chair

_____caucus leader

_____member of a particular political party

_____members in one chamber as opposed to the other chamber (House v. Senate)

_____other (explain)

28. Who do you do the most work for?
_____individual members of the legislature
_____committee members
_____committee chair
_____caucus leader
_____member of a particular political party
_____members in one chamber as opposed to the other chamber (House v. Senate)
_____other (explain)

Section VI: Perceptions of Influence:
29. What is your perception of your influence in the budget process?
_____ very influential
_____ influential
_____ somewhat influential
_____ not influential
29a. Why?
30. If influential, where do you think your influence comes from?
_____ you as an individual
_____ fiscal office
_____ fiscal office director
_____ other, explain
31. When the legislature is making decisions on the budget, at what point do you have the most influence on their decisions?
_____ during face to face contacts with members outside of committee hearings
_____ during committee hearings
_____ on chamber floor
_____ other, explain
32. Who do you influence the most?
_____individual members of the legislature
_____committee members
_____committee chair
_____caucus leader
_____member of a particular political party
_____members in one chamber as opposed to the other chamber (House v. Senate)
_____other (explain)
32a. Why?
33. Are you more likely to influence members who have been in the legislature longer or those members newly elected?
33a. Why?

Section VII: How are you influential?
34. What specific things do you do to influence legislators?
34a. What things are the most successful?
35. What do other analysts do to influence legislators?

Section VIII: Legislative Fiscal Analyst Recommendations
36. Do you provide provide recommendations to legislators and/or committees regarding the budget?

36a. If yes, what was your line-item appropriation recommendation for Name of agency?
36b. What was the corresponding legislative line-item appropriation adopted by the legislature?
36c. If changes were made to your recommendation, why were these changes made?
36d. When making these recommendations on appropriation levels, what are your main decision criteria?
_____financial considerations
_____efficiency considerations
_____political considerations
_____combination

37. Other than making line-item recommendations, what other types of things do you make recommendations on?
37a. Do you provide policy options?
37b. If yes, provide an example.
37c. How often are your policy options accepted by legislature?
38. What projects do you undertake at your own initiative?
38a. Are the outcomes of these projects used by legislators?
38b. Why or why not?
39. What projects are undertaken at the request of others?
39a. Are the outcomes of these projects used?
39b. Why or why not?

Section IX: Relationship with Executive Budget Analysts
40. How much contact do you have with analysts in the executive budget office?
_____daily
_____several times per week
_____several times per month
_____rarely or never
_____contact varies according to agency
_____contact varies according to executive budget analyst
_____other, explain
41. Does contact vary between the interim and the legislative session?
41a. How?
42. What is the nature of this contact? (In other words, why are you contacting the EBA or why is the EBA contacting you?)
43. In general, how would you describe your relationship with the executive budget analysts?
_____collegial
_____adversarial
_____neutral
_____other, explain
44. How difficult is it to obtain information from executive budget analysts?

Section X: Relationship with State agency personnel

45. How much contact do you have with state agency personnel?

_____daily
_____several times per week
_____several times per month
_____rarely or never
_____contact varies with state agency
_____contact varies according to agency staff
_____other, explain

46. Does contact vary between the interim and the legislative session?

46a. How?

47. What is the nature of this contact? (In other words, why are you contacting the state agency personnel, or why are they contacting you?)

48. In general, how would you describe your role with respect to your agencies?

_____advocate (supporter of agency and agency programs)
_____monitor ((program monitor, expenditure monitor))
_____facilitator (information gatherer, supplying information about agency to legislators, analyzing agency budget)
_____policy analyst (where analyst recommends or initiates new policy or changes in current program operation to legislature through budget recommendations or policy options/alternatives)
_____other
_____role varies by agency

49. How difficult is it to obtain timely, accurate information from agencies?

_____ very difficult
_____ somewhat difficult
_____ not difficult
_____ varies with agency

Section XII: Ending Questions

50. What do you like most about your job?

51. What do you see as the major challenges and/or changes faced by legislative fiscal staff?

52. What do you like least about your job?

Interview Questions - Legislators

Section I: Background of Legislator

1. How long have you been a member of the legislature?
2. How long have you been a member of the appropriations or joint budget committee?
3. How long have you been chair of _____ committee/subcommittee?

Section II: Name Recognition

4. Who is the legislative fiscal analyst responsible for the Department of Corrections budget?
5. Who is the legislative fiscal analyst responsible for the Department of Education budget?
6. Who is the legislative fiscal analyst responsible for the Medicaid budget?

Section III: Frequency of Contact

7. How much contact do you have with the legislative fiscal analyst for?

Corrections	**Education**	**Medicaid**
_____ no contact	_____ no contact	_____ no contact
_____ some contact	_____ some contact	_____ some contact
_____ frequent contact	_____ frequent contact	_____ frequent contact

7a. How much is frequent contact?
7b. Are there differences among analysts?
8. Concerning the budgets for these three agencies, who do you have more contact with, the legislative fiscal office director or the LFA?
8a. Are there differences among analysts?
8b. Why?
9. Who generally initiates contact, the LFA or you?
9a. Are there differences among analysts?
9b. Why?

Section IV: Relationship with Legislative Fiscal Analyst

10. What do you feel is the role of the legislative fiscal analyst in the budget process?

____policy initiator (where analyst recommends or initiates new policy or changes in current program operation to legislature through budget recommendations or policy options/alternatives)
____monitor (program monitor, expenditure monitor)
____facilitator (information gatherer, supplying information about agency to legislators, analyzing agency budgets)
____technical role (setting up meetings, developing agendas at request of members, etc.)
____other

10a. What role best describes the role of the legislative fiscal analysts?
11. What kinds of information provided by the legislative fiscal analysts do you feel are the most useful for you in the decision making process concerning these agencies' budgets?
12. What kinds of information would you like to receive from the analysts that you are not getting now? In other words, what other kinds of information would be useful?
13. Do you give policy direction to the LFA in terms of the information or recommendations provided by the legislative fiscal analyst?

14. What kinds of policy direction do you give legislative fiscal analysts when they make recommendations? Create policy options? Provide you with information?

15. Overall, how much discretion do you think the legislative fiscal analysts have in making budget recommendations, providing policy options and/or information to you and the committee?

_____ a great deal of discretion
_____ some discretion
_____ no discretion

16. Do you ask these analysts for advice concerning the Corrections Department, Education Department, and Medicaid?

_____ Yes _____ No

16a. If yes, what kind of advice?
16b. Are there differences among analysts?

Section V: Perception of Influence

17. How influential do you think the legislative fiscal analyst is in terms of your decision making on the budget?

Corrections Analyst	**Education Analyst**	**Medicaid Analyst**
_____ very influential	_____ very influential	_____ very influential
_____ influential	_____ influential	_____ influential
_____ somewhat influential	_____ somewhat influential	_____ somewhat influential
_____ not influential	_____ not influential	_____ not influential

18. If very influential or influential, **why** is the LFA influential?

Corrections Analyst

_____ knowledge of agency, expertise, competence
_____ length of tenure as staffer
_____ personal abilities, charismatic
_____ influential as member of the fiscal office
_____ other, explain

Education Analyst

_____ knowledge of agency, expertise, competence
_____ length of tenure as staffer
_____ personal abilities, charismatic
_____ influential as member of the fiscal office
_____ other, explain

Medicaid Analyst

_____ knowledge of agency, expertise, competence
_____ length of tenure as staffer
_____ personal abilities, charismatic
_____ influential as member of the fiscal office
_____ other, explain

19. If very influential or influential, how is the legislative fiscal analyst influential regarding the budget request for these agencies?
19a. Are there differences among analysts?
20. What specific changes did the LFA make or recommend to the legislature concerning the Corrections budget, Education budget, and Medicaid?
21. How often did the committee accept these recommendations?
By Corrections analyst?
By Education analyst?
By Medicaid analyst?
22. If legislative fiscal analyst is not influential, why not?
23. How would you rank the analyst in terms of his/her contribution or influence on the (Corrections, Education, Medicaid) budget in comparison to other budget actors? On a scale of 1 (no contribution) to 5 (high contribution).

Corrections

Legislative fiscal analyst	1	2	3	4	5
Legislative fiscal office director	1	2	3	4	5
Agency personnel	1	2	3	4	5
Lobbyists	1	2	3	4	5
Governor's staff	1	2	3	4	5
Appropriation committee members	1	2	3	4	5
Other members of legislature	1	2	3	4	5
Other actors influencing budget?					

Education

Legislative fiscal analyst	1	2	3	4	5
Legislative fiscal office director	1	2	3	4	5
Agency personnel	1	2	3	4	5
Lobbyists	1	2	3	4	5
Governor's staff	1	2	3	4	5
Appropriation committee members	1	2	3	4	5
Other members of legislature	1	2	3	4	5
Other actors influencing budget?					

Medicaid

Legislative fiscal analyst	1	2	3	4	5
Legislative fiscal office director	1	2	3	4	5
Agency personnel	1	2	3	4	5
Lobbyists	1	2	3	4	5
Governor's staff	1	2	3	4	5
Appropriation committee members	1	2	3	4	5
Other members of legislature	1	2	3	4	5
Other actors influencing process?					

Interview Questions-Agency Personnel

Section I. Background of agency personnel.

1. How long have you been the (director, legislative liaison, or budget officer) of the _____Department?

Section II. LFA Name Recognition and Frequency of Contact.

2. Who is the legislative fiscal analyst responsible for the _____ budget?
3. How much contact do you have with the legislative fiscal analyst during the period when legislators are making decisions on the budget

_____daily
_____several times per week
_____several times per month
_____rarely
_____never
_____other, explain

4. Does contact vary between the interim and legislative session?
4a. How?
5. Who do you have more contact with, the legislative fiscal office director or the legislative fiscal analyst?
6. Who generally initiates contact, the legislative fiscal analyst or you?
7. Under what conditions are you likely to come into contact with the legislative fiscal analyst? In other words, why is the legislative fiscal analyst contacting you or why do you contact him/her?
8. How do you view the role of the legislative fiscal analyst in terms of the Education budget?

_____ agency advocate (supporter of agency or agency programs)
_____ facilitator (information gatherer, supplying information about agency to legislators, analyzing agency budget)
_____ monitor role (program monitor, expenditure monitor)
_____ policy initiator (where analyst recommends or initiates new policy or changes in current program operation to legislature through budget recommendations or policy options/alternatives)
_____ other, explain

9. How important is it for you to establish a good relationship with the legislative fiscal analyst?

_____ very important
_____ important
_____ somewhat important
_____ not important

9a. Why is it important/not important?
10. Do you seek advice from the legislative fiscal analyst on how to present budget or program information? How to approach legislators? Other? If applicable, provide an example.
11. How influential do you think the legislative fiscal analyst is in terms of the _____ budget?

_____ very influential
_____ influential
_____ somewhat influential
_____ not influential

12. If influential, **why** is the LFA influential regarding your agency's budget?
13. If influential, **how** is the LFA influential regarding your agency's budget?
14. If LFA is not influential, why not?
15. Are you aware of any changes, recommendations, or policy options/alternatives made by the legislative fiscal analyst regarding your agency's budget during the last legislative session?
15a. If yes, provide an example.
16. How would you rank the legislative fiscal analyst who has responsibility for the _____ budget in terms of his/her contribution or influence on the _____ budget in comparison to other budget actors on a scale of 1 (no contribution or influence) to 5 (high contribution or influence)?

Legislative fiscal analyst	1	2	3	4	5
Legislative fiscal office director	1	2	3	4	5
Executive budget analyst	1	2	3	4	5
Executive budget director	1	2	3	4	5
Lobbyist(s)	1	2	3	4	5
Governor	1	2	3	4	5
Governor's personal staff	1	2	3	4	5
Appropriation committee or subcommittee members	1	2	3	4	5
Other members of legislature	1	2	3	4	5

Interview Questions -Executive Budget Analysts

Section I. Background Information

1. How long have you worked in the executive budget office?
2. What is your age?
3. What is your current position or official title?
4. How long have you held your current position?
5. What is the highest degree attained?
6. What was your academic major in highest degree attained?
7. Where did you work prior to attaining current job?
8. Why did you choose your job with the executive budget office?

_____ work is interesting/challenging
_____ interest in politics
_____ to serve public
_____ to help formulate public policy
_____opportunities for advancement
_____job security
_____other, explain

8a. What was the most important reason?

9. How many agencies do you have responsibility for?

Section II. Name Recognition and Frequency of Contact

10. Who is the legislative fiscal analyst responsible for the _____ budget?
11. How much contact do you have with the legislative fiscal analyst during the period when legislators are making decisions on the budget?

_____daily
_____several times per week
_____several times per month
_____rarely
_____ never
_____other, explain

12. Does contact vary between the interim and legislative session?

12a. How?

13. Who do you have more contact with, the legislative fiscal office director or the legislative fiscal analyst responsible for the _____ budget?
14. Who generally initiates contact, the legislative fiscal analyst or you?
15. Under what conditions are you likely to come into contact with the LFA during the legislative session? In other words, why is the legislative fiscal analyst contacting you or why are you contacting the legislative fiscal analyst?
16. How important is it for you to establish a good relationship with the legislative fiscal analyst?

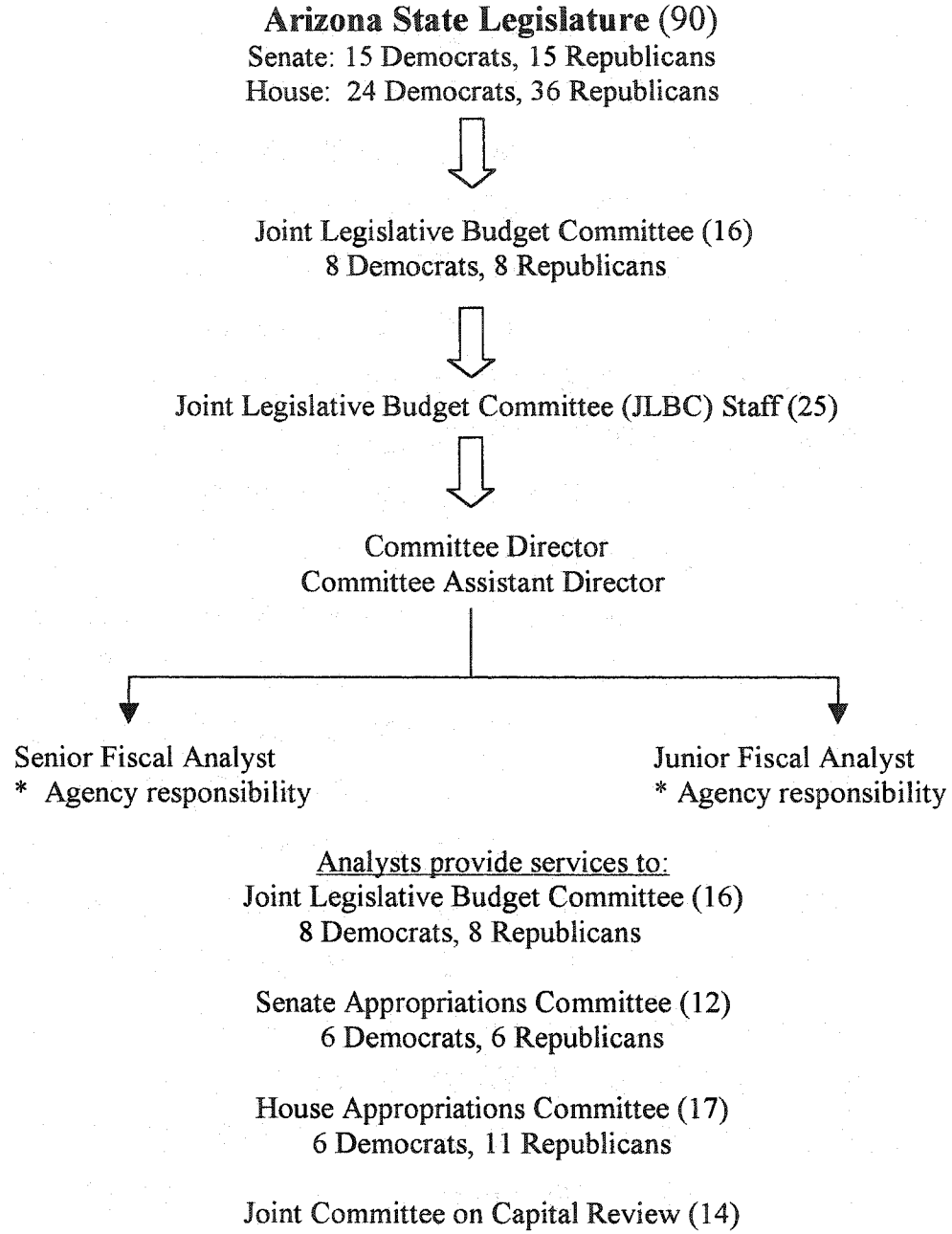
_____ very important
_____ important
_____ somewhat important
_____ not important

17. Why is it important/not important?

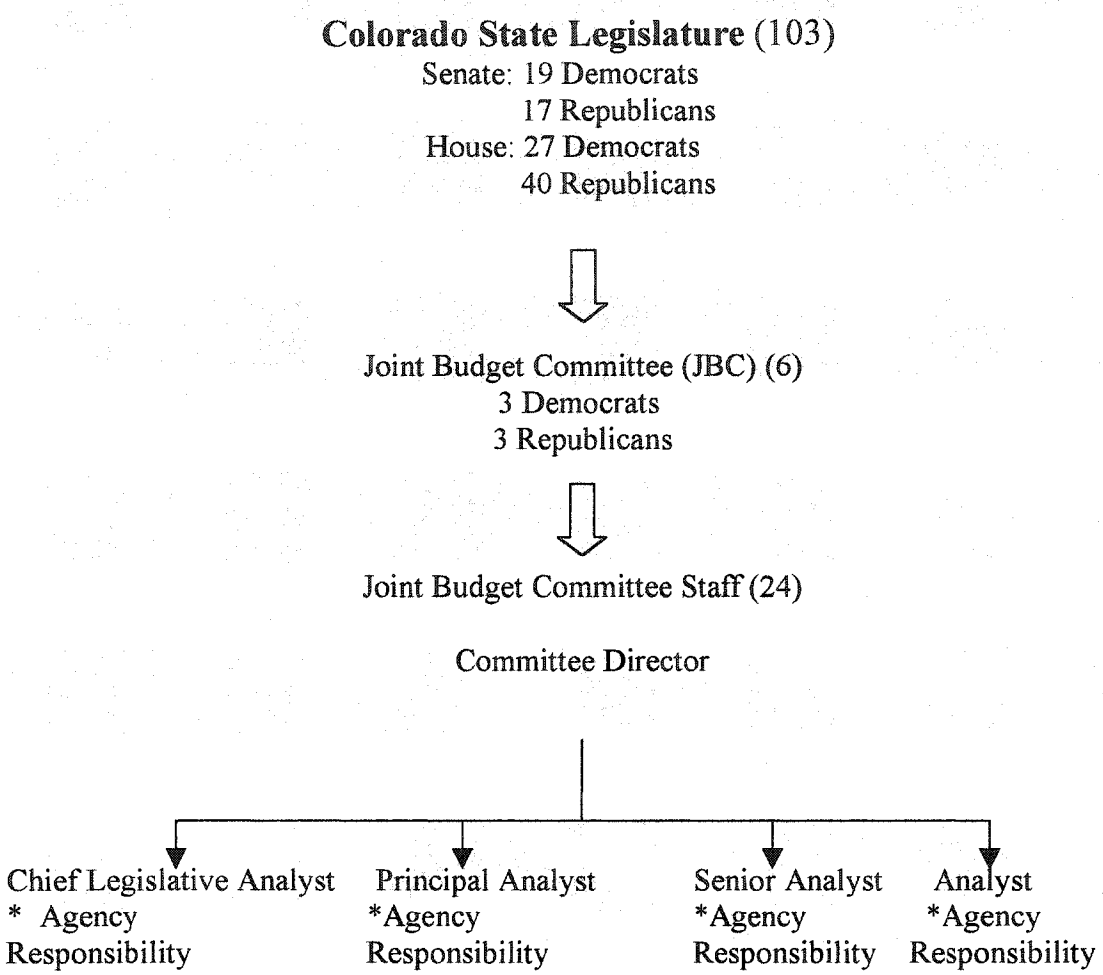
18. How influential do you think the legislative fiscal analyst is in terms of _____ budget?
    _____ very influential
    _____ influential
    _____ somewhat influential
    _____ not influential
19. If influential, why is the LFA influential regarding the _____ budget?
20. If influential, how is the LFA influential regarding the _____ budget?
21. If LFA is not influential, why not?
22. Are you aware of any recommendations or policy options/alternatives made by the legislative fiscal analyst regarding the corrections budget during the most recent legislative session?
22a. If yes, provide an example?
23. How would you rank the analyst in terms of his/her influence on the _____ budget in comparison to other budget actors? On a scale of 1 (no influence) to 5 (high influence).

Legislative fiscal analyst	1	2	3	4	5
Legislative fiscal office director	1	2	3	4	5
Agency personnel	1	2	3	4	5
Lobbyists	1	2	3	4	5
Governor	1	2	3	4	5
Governor's personal staff	1	2	3	4	5
Appropriations committee members or subcommittee members	1	2	3	4	5
Other members of legislature	1	2	3	4	5

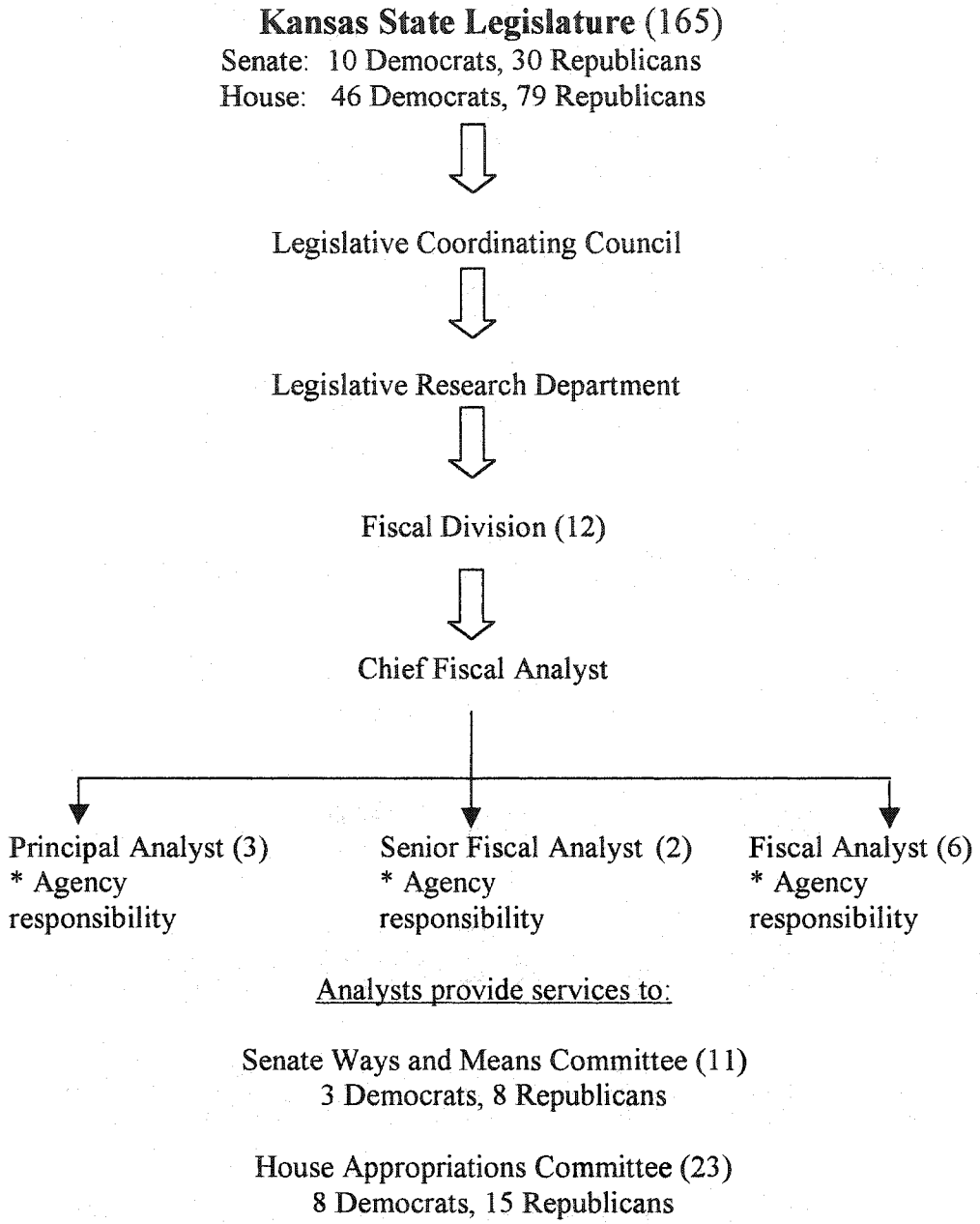
APPENDIX B



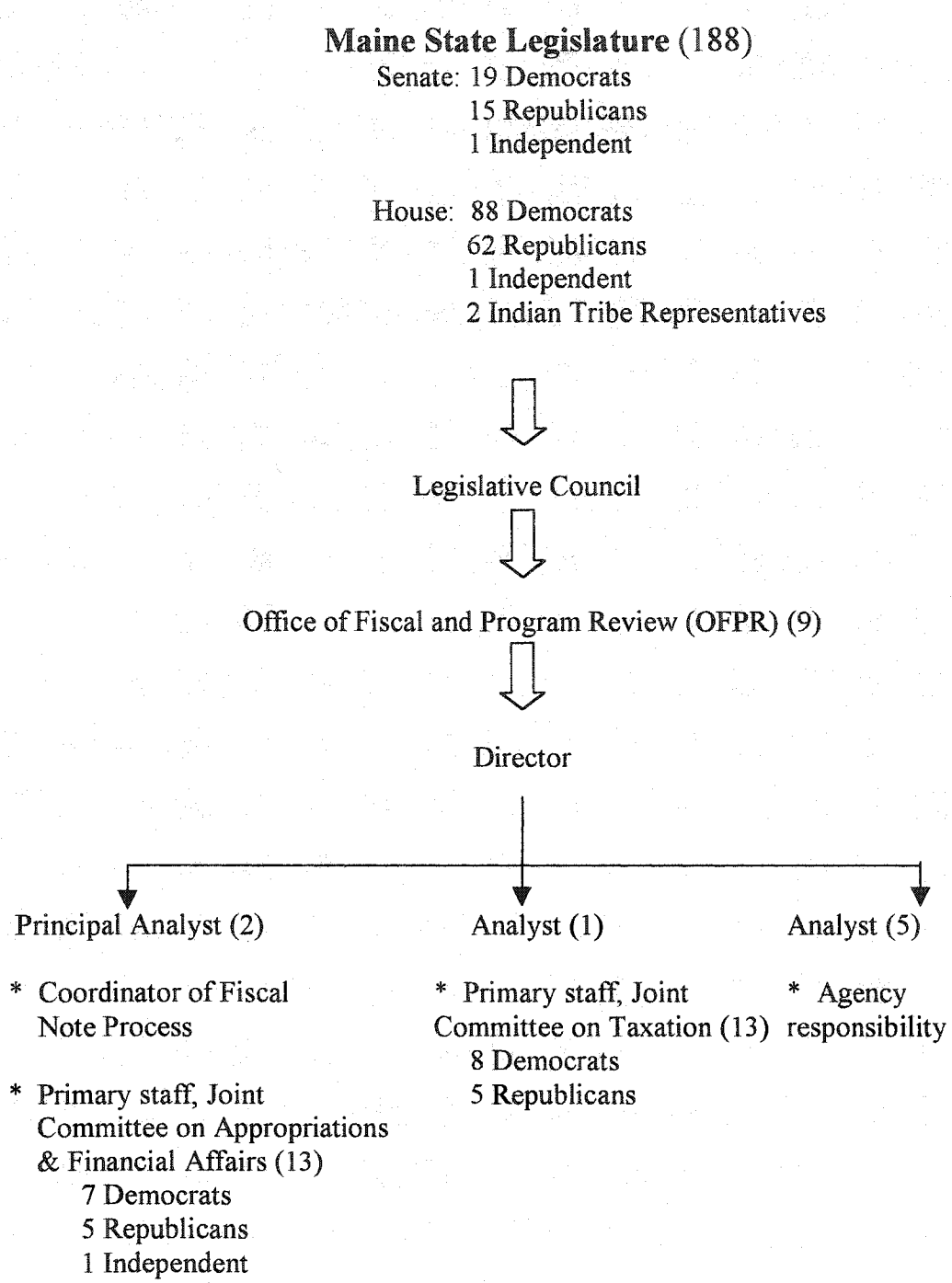
Sources: Arizona Senate and House membership information available at http://www.azleg.state.az.us/MemberRoster.asp accessed on November 17, 2001; JLBC membership information available at http://www.azleg.state.az.us./jlbc.htm accessed on November 17, 2001; JLBC Staff information available at http://www.azleg.state.az.us/jlbc/jlbcstf.htm accessed on August 17,2001; and Senate and House Appropriations Committee and Joint Committee on Capital Review membership available at http://www.azleg.state.az.us/StandingCom.asp accessed on November 17, 2001.



Sources: Colorado House and Senate membership available at http://www.leg.state.co.us/2002a/inetdir.nsf?opendatabase accessed on May 23, 2002; JBC membership available at http://www.state.co.us/gov_dir/leg_dir/jbc/member.htm accessed on May 23, 2002 and JBC staff membership available at http://www.state.co.us/gov_dir/leg_dir/jbc/staff.htm accessed on May 23, 2002.



Sources: Kansas Senate membership available at http://www.kslegislature.org/senateroster/index.html accessed on November 7, 2001; Kansas House membership available at http://www.kslegislature.org/houseroster/index.html accessed on November 11, 2001; Fiscal Division staff available at http://skyways.lib.ks.us/ksleg/KLRD/klrd.html accessed on October 12, 2001; Senate Ways and Means Committee membership available at http://www.kslegislature.org/commsched/senate/scommittees.pdf accessed on November 11, 2001; and House Appropriations Committee membership available at http://www.kslegislature.org/commsched/house/hcommittees.pdf accessed on November 11, 2001.



Sources: Maine Senate membership available at http://www.state.me.us.legis.senate/senators/candidates/elect2002.htm accessed on May 28, 2002; Maine House membership available at http://janus.state.me.us/house/hbiolist.htm accessed on May 28, 2002; Joint Standing Committee on Appropriations and Financial Affairs membership available at http://janus.state.me.us/house/jt_com/afa.htm accessed on May 28, 2002; OFPR staff available at http://www.state.me.us/legis/ofpr/contact.htm accessed on June 28, 2001; Joint Committee on Taxation membership available at http://janus.state.me.us/house/jt_com/t.htm accessed on May 28, 2002.

Department of Education

General Services Administration

APPENDIX C

JLBC:
OSPB:

House Subcommittee: Gray
Senate Subcommittee: Hamilton

DESCRIPTION	FY 2000 ACTUAL	FY 2001 ESTIMATE	FY 2002 OSPB	FY 2002 JLBC	FY 2003 OSPB	FY 2003 JLBC
OPERATING BUDGET						
Full Time Equivalent Positions	144.9	144.9	147.9	147.9	147.9	147.9
Personal Services	3,582,900	4,376,400	4,374,800	4,486,800	4,374,800	4,486,800
Employee Related Expenditures	741,200	867,500	825,100	918,800	828,700	918,800
All Other Operating Expenditures:						
Professional and Outside Services	591,500	93,500	94,300	93,500	94,300	93,500
Travel - In State	52,200	66,600	66,600	69,600	66,600	69,600
Travel - Out of State	31,300	25,000	25,000	25,000	25,000	25,000
Other Operating Expenditures	1,173,200	1,170,500	1,151,400	1,220,600	1,150,200	1,218,500
Equipment	129,500	0	0	0	0	0
OPERATING SUBTOTAL	6,301,800	6,599,500	6,537,200	6,814,300	6,539,600	6,812,200
SPECIAL LINE ITEMS						
Achievement Testing	5,537,500	5,293,800	7,452,900	5,477,500	8,237,200	5,940,000
Charter School Administration	184,200	210,900	141,100	259,800	156,300	259,900
Education Commission of the States	59,400	61,200	0	61,200	0	61,200
Special Education Audit	201,300	322,000	321,100	321,000	321,100	321,000
State Board of Education	261,800	262,900	989,600	306,300	986,100	306,400
Student Accountability Information System	2,001,700	2,002,600	0	0	0	0
Teacher Certification	947,500	970,100	1,053,800	984,800	1,052,700	985,000
PROGRAM TOTAL	**15,495,200**	**15,723,000**	**16,495,700**	**14,224,900**	**17,293,000**	**14,685,700**
FUND SOURCES						
General Fund	14,547,700	14,752,900	15,441,900	13,240,100	16,240,300	13,700,700
Teacher Certification Fund	947,500	970,100	1,053,800	984,800	1,052,700	985,000
SUBTOTAL - Other Appropriated Funds	947,500	970,100	1,053,800	984,800	1,052,700	985,000
SUBTOTAL - Appropriated Funds	**15,495,200**	**15,723,000**	**16,495,700**	**14,224,900**	**17,293,000**	**14,685,700**
Other Non-Appropriated Funds	1,444,400	1,127,400	1,182,400	1,182,400	1,248,900	1,248,900
TOTAL - ALL SOURCES	16,939,600	16,850,400	17,678,100	15,407,300	18,541,900	15,934,600

CHANGE IN FUNDING SUMMARY	FY 2001 to FY 2002 JLBC		FY 2001 to FY 2003 JLBC		Biennial
	$ Change	% Change	$ Change	% Change	$ Change
General Fund	(1,512,800)	-10.3%	(1,052,200)	-7.1%	(2,565,000)
Other Appropriated Funds	14,700	1.5%	14,900	1.5%	29,600
Total Appropriated Funds	(1,498,100)	-9.5%	(1,037,300)	-6.6%	(2,535,400)

PROGRAM DESCRIPTION — *The General Services Administration (GSA) program is divided into a number of units, including School Finance, Data Processing, Career Ladders, Teacher Certification and Special Education, which provide for the ongoing operation of the Department of Education. The State Superintendent of Public Instruction is funded through this cost center.*

PERFORMANCE MEASURES	FY 1999 Est./Actual	FY 2000 Est./Actual	FY 2001 Estimate	FY 2002-03 Estimate
• % completion of on-line Arizona Financial Information System (AFIS) Import and Reporting Project.	NA/50	5/75	90	100
• % of schools that conduct on-line data transfer with the agency.	50/71	78/98	100	100
• % difference between the Average Daily Membership (ADM) statewide total reported as of March 1st each year versus the year-end actual total:				
-- Charter schools	NA	NA	Baseline	-1/-2
-- School districts	NA	NA	Baseline	-1/-2
• Average number of days to process applications for certification services	NA	165/60	45	30
• % of customers satisfied with the agency	NA	NA	Baseline	+1

Comment:

- "Baseline" means that the department will use the performance measure for the first time that year and therefore does not yet have an estimate for it. For years after the "baseline" year, the numbers shown indicate the anticipated increase or decrease for the new measure relative to its "baseline" score.

RECOMMENDED CHANGES FROM FY 2001

		FY 2002	FY 2003
Standard Changes			
Pay Annualization	GF	$ 80,500	$ 80,500
	OF	9,800	9,800
ERE Rates	GF	20,200	20,500
	OF	4,900	5,100
Risk Management	GF	3,300	1,200
Rent	GF	41,300	41,300
Achievement Testing	GF	185,300	647,700

The JLBC recommends a total biennial General Fund increase of $833,000 for Achievement Testing. This amount includes a FY 2002 increase of $185,300 above FY 2001 and a FY 2003 increase of $647,700 above FY 2001. The recommended FY 2002 increase consists of a $(83,900) decrease for Stanford 9 testing below FY 2001 and a $269,200 increase for Arizona Instrument to Measure Standards (AIMS) testing above FY 2001. The recommended FY 2003 increase consists of a $109,300 increase for Stanford 9 testing above FY 2001 and a $538,400 increase for AIMS testing above FY 2001 *(see Table 1)*.

Table 1

Stanford 9 & AIMS Estimated Testing Costs (JLBC Recommendation)

Fiscal Year	Stanford 9	AIMS	Total
FY 2001 Appropriation	$1,943,500	$3,167,200	$5,110,700
FY 2002 Above FY 2001	(83,900)	269,200	185,300
FY 2002 Total	$1,859,600	$3,436,400	$5,296,000
FY 2003 Above FY 2001	109,300	538,400	647,700
FY 2003 Total	$1,968,900	$3,974,800	$5,943,700

Both types of testing are required under A.R.S. § 15-741, which mandates "norm-referenced testing" of grades 3-12 and AIMS testing of at least 4 grades designated by the State Board of Education. The board currently requires grades 3, 5, 8 and 10 to be AIMS tested every year, plus any 11th and 12th grade students who have not yet passed the high school AIMS test. As of December 2000, it is not known when high school students will be required to pass the high school version of the AIMS test in order to graduate. This is because the Superintendent of Public Instruction recommended in November 2000 that the issue undergo further review. The State Board of Education accepted this recommendation and has not yet issued revised guidelines for it.

The AIMS test gauges student achievement relative to specific academic standards established by the State Board of Education. The Stanford 9 measures student achievement relative to that of students in comparable "norm" groups nationwide. Stanford 9 testing has been conducted in Arizona since FY 1997. Prior to FY 1997 the Iowa Test of Basic Skills (ITBS) was used for norm-referenced testing.

For FY 2001, the Education Omnibus Reconciliation Bill (ORB) from FY 2000 and FY 2001 notwithstands the statutory requirement that grades 3-12 be Stanford 9 tested, and instead requires that grades 2-11 be tested. Continuing this policy in FY 2002 and FY 2003 would require either a permanent statutory change to A.R.S. § 15-741 or reenactment of the existing ORB provision *(see "JLBC Recommended Statutory Changes")*. Since permanent law currently requires that the Stanford 9 be administered to Grades 3-12, the JLBC recommendation assumes that those are the grade levels that will take the Stanford 9 during the biennium. This would result in an estimated savings of $(83,900) in FY 2002 below FY 2001.

A savings would occur for the first year of this change because the number of 12th graders added to the testing population would be less than the number of 2nd graders dropped from it for that year. By the second year (FY 2003), however, enrollment growth in Grades 3-12 as a whole would more than offset the one-time decline in the testing population from FY 2002. This would result in an increased cost of $109,300 in FY 2003 above FY 2001 under our estimates.

The recommended funding amounts for Stanford 9 testing include the anticipated price increases shown in *Table 2.* That table shows a breakdown of Stanford 9 testing costs per pupil for FY 2001 through FY 2003. Based on current department estimates, unit costs for the test would increase from about $2.59 per pupil in FY 2001 to $2.62 per pupil in FY 2002 and then to $2.75 per pupil in FY 2003 under the JLBC recommendation. The relatively smaller cost increase anticipated for FY 2002 versus FY 2003 (3 cents versus 13 cents per pupil) for the Stanford 9 reflects elimination of 2nd Grade testing under the JLBC recommendation in FY 2002. Per pupil testing costs for 2nd Graders are higher than for other grade levels because only 2nd Graders use scannable test books, which are more expensive. The total cost shown for FY 2001 in *Table 2* is $117,700 less than the appropriated amount shown in *Table 1* because fewer students are expected to take the Stanford 9 test during FY 2001 than was assumed in the FY 2001 appropriation.

Table 2

Estimated Stanford 9 Testing Costs (JLBC Recommendation)

	FY 2001 Estimated	FY 2002 Estimated	FY 2003 Estimated
Total Cost	$1,825,800	$1,859,600	$2,052,800
Pupils Tested	703,861	709,780	746,473
Average Cost/Pupil	$2.59	$2.62	$2.75

Recommended FY 2002 and FY 2003 funding totals for AIMS testing *(see Table 3)* likewise would cover both additional students and higher testing costs per student. This is because they assume a 3.5% funding increase per year for enrollment growth plus a 5% funding increase per year for contract cost inflation. The 3.5% annual enrollment growth assumption is based roughly on current JLBC projections for enrollment growth during the biennium. The 5% annual contract inflation assumption is based on the maximum increase allowed each year under the current multi-year AIMS contract. Average per pupil costs for AIMS testing are not shown in *Table 3* because the department currently anticipates that all AIMS tests will be used for several years. This would spread out their development costs over an unknown timeframe, which makes it impossible to compute average per pupil costs for them.

Table 3 does not include costs for AIMS testing changes that are recommended by the department. Those changes would cost an additional $1,924,400 in FY 2002 and $1,982,100 in FY 2003 above FY 2001 and would provide the program with total funding of $5,360,800 in FY 2002 and $5,956,900 in FY 2003 *(see Table 4).* Funding changes requested by the department include 1) $303,700 per year to develop 1 new high school test each year, 2) $1,441,500 per year to field test the new high school test, 3) $260,000 per year (rather than $83,100 in FY 2002 and $89,500 in FY 2003) for more detailed student guides, 4) $195,200 per year to develop performance standards in order to set passing scores for revised tests, and 5) varying amounts (including some scoring savings) per year for other miscellaneous changes.

Table 3

Estimated AIMS Testing Costs (JLBC Recommendation)

	FY 2002 Estimated	FY 2003 Estimated
Scoring of Tests	$ 2,980,700	$3,483,400
Publish Student Guides to State Academic Standards and AIMS Test	83,100	89,500
Print Tests and Teacher Directions for Grades 3, 5 and 8	62,600	67,500
Deliver Test Materials	167,800	181,000
Print Tests and Teacher Directions for High School	26,400	28,400
Pre and Post Test Workshops	61,700	66,600
Miscellaneous	54,100	58,400
TOTAL	$3,436,400	$3,974,800

Table 4

Estimated AIMS Testing Costs (Agency Request)

	FY 2002 Estimated	FY 2003 Estimated
Scoring of Tests	$ 2,342,800	$2,909,000
Field Test New High School Test	1,441,500	1,441,500
Develop Additional High School Test	303,700	303,700
Publish Student Guides to State Academic Standards and AIMS Test	260,000	260,000
Print Tests and Teacher Directions for Grades 3, 5 and 8	237,700	240,700
Develop Performance Standards (thresholds for passing tests)	195,200	195,200
Deliver Test Materials	154,700	154,700
Print Tests and Teacher Directions for High School	106,900	112,000
Scoring and Reporting for Special Education Version of Test	100,000	100,000
Report Student Scores	93,100	115,000
Pre and Post Test Workshops (10 @ $5,740)	57,400	57,400
Out of Level Testing (for some special education pupils)	42,900	42,900
Miscellaneous	24,900	24,800
TOTAL	$5,360,800	$5,956,900
JLBC Recommendation	3,436,400	3,974,800
Difference from JLBC - Recommendation	**$1,924,400**	**$1,982,100**

It should be noted that annual costs of AIMS testing would increase substantially above those shown in *Table 4* if new tests must be written for each testing year. A lawsuit that would mandate new AIMS tests each year is still pending. The cost of developing new tests each year is unknown because it would depend upon bids submitted by contractors. A very preliminary response from the current AIMS contractor, however, suggests that it would be about $8,000,000 per year. This total consists of $5,000,000 for the elementary tests plus $3,000,000 ($1,500,000 X 2) for 2 versions of the high school test each year. Two new versions of the high school test would be required each year because that test is administered twice yearly.

The recommended changes described above, along with $(1,600) in standard changes shown elsewhere, would result in a total FY 2002 Achievement Testing appropriation of $5,477,500. This would be an increase of $183,700 above FY 2001. For FY 2003, the recommended increases plus $(1,500) in standard changes shown elsewhere would result in a total Achievement Testing appropriation of $5,940,000. This would be an increase of $646,200 above FY 2001.

The Executive recommends fully funding the agency request, which would provide an increase of $2,245,200 in FY 2002 above FY 2001 and an increase of $3,039,700 in FY 2003 above FY 2002. These amounts assume that the Stanford 9 test would be administered to pupils in Grades 1-9, as requested by the department. (Again, the JLBC recommendation assumes that Grades 3-12 would be tested, since those are the grades that require Stanford 9 testing under current law.) The department wants to drop Stanford 9 testing for Grades 10 and 11 because it believes that test results for those grades are not very useful. It wants to add Stanford 9 testing for 1st Graders and continue Stanford 9 testing for 2nd Graders because it believes that it needs to do so in order to assemble school accountability "profiles" required by Proposition 301. The JLBC recommendation does not include funding for non-formula changes to the Achievement Testing program because it believes that those changes involve policy decisions that warrant further input from members.

FY 2001 Supplemental for Achievement Testing

The JLBC also recommends a FY 2001 General Fund supplemental of $553,900 for Achievement Testing. This amount would cover increased scoring costs due to more students taking the AIMS test than was anticipated for FY 2001. It would not, however, cover an additional $1,891,400 in unfunded AIMS testing costs that the department expects to incur by the end of FY 2001. Those costs, if funded, would increase the total supplemental amount for Achievement Testing to $2,445,300 *(see Table 5)*. The JLBC does not recommend funding for items other than "Scoring" in Table 5 because it believes they reflect policy decisions that should have been subject to legislative review prior to their expenditure.

As shown in *Table 5*, the $2,245,300 total estimated shortfall for Achievement Testing includes a FY 2000 shortfall of $982,300 that was carried forward into FY 2001 plus an additional estimated shortfall of $1,463,000 from FY 2001 itself. Therefore the $2,445,300 requested supplemental is larger than the $2,245,200 increase requested by the department for FY 2002 because the supplemental amount is a *cumulative* shortfall over two budget years (FY 2000 and FY 2001). In addition, some of the costs included in the requested supplemental are one-time in nature, such as the $259,900 increase in FY 2000 for "report development" (for improving earlier versions of test score reports).

Table 5 provides a breakdown of the various shortfall components for FY 2000 and FY 2001 by the department. The cumulative 2-year costs for those items are as follows: 1) $573,000 for changes in the high school mathematics test, 2) $553,900 in increased scoring costs due to more students being tested than expected, 3) $284,800 for guidebooks for elementary students, 4) $259,900 to develop expanded reports of test scores, 5) $236,400 for guidebooks for high school students, 6) $100,000 to score and report results for special education versions of the AIMS tests, 7) $100,000 for changes to the AIMS reading tests, 8) $91,200 to convert the AIMS database from a mainframe-based computer system to the new SAIS system, 9) $87,100 to use scannable books for 3rd Grade testing, 10) $82,900 for "out of level" testing (which is allowed for some special education pupils) and 11) $76,100 for miscellaneous costs.

Table 5

Requested FY 2001 Supplemental for Achievement Testing

Item	FY 2000 Shortfall	FY 2001 Shortfall	Total Shortfall
Math Test changes	0	$573,000	$573,000
Scoring	125,000	428,900	553,900
Student Guides (elementary)	141,900	142,900	284,800
Report Development	259,900	0	259,900
Student Guides (high school)	118,200	118,200	236,400
Special Education test	0	100,000	100,000
Reading Test changes	0	100,000	100,000
Computer Code changes	91,200	0	91,200
Grade 3 Scannable Books	87,100	0	87,100
Out of Level Testing	82,900	0	82,900
Miscellaneous	76,100	0	76,100
TOTAL	$982,300	$1,463,000	$2,445,300

The Executive recommends fully funding the department request for all years. This would provide $2,445,300 in supplemental funding for FY 2001. It also would provide an increase of $2,245,200 in FY 2002 above the original FY 2001 appropriation and an increase of $3,039,700 in FY 2003 above the original FY 2001 appropriation.

Student Accountability

Information System GF (2,002,600) (2,002,600)

The JLBC recommends a total biennial General Fund decrease of $(4,005,200) for the Student Accountability Information System (SAIS). This amount includes a

decrease of $(2,002,600) in both FY 2002 and FY 2003 below FY 2001, which would eliminate funding for SAIS development. Those monies will not be needed after FY 2001 because system development essentially will be completed by the start of FY 2002. After FY 2001, SAIS costs primarily will be driven by ongoing maintenance needs, including any reprogramming required in order to comply with future changes in funding formulas and data collection needs. Monies for SAIS maintenance in FY 2002 and FY 2003 are recommended under the *"Education 2000 • School Accountability"* policy issue in the Assistance to Schools Cost Center.

ADE has received a total of $7,505,200 from the state for SAIS development since monies were first appropriated for this purpose in FY 1997. In addition, the department has provided school districts and charter schools with approximately $20,000,000 in federal pass through monies for SAIS-related infrastructure and training costs since FY 1997. This funding has been in addition to approximately $120,000,000 in federal monies that school districts and charter schools have received since that time under the federal "e-rate" program. That program helps school districts and charter schools pay for Internet access.

The Executive concurs.

ADM Auditor GF 59,600 59,600

The JLBC recommends a total biennial General Fund increase of $119,200 for establishing a full-time Average Daily Membership (ADM) auditor position in the department. This amount includes an increase of $59,600 and 1 FTE Position in both FY 2002 and FY 2003 above FY 2001. The JLBC recommends establishing this position because the department currently does not dedicate any staff to monitoring school district and charter school ADM counts. Those counts, however, determine the largest single expenditure in state government• the cost of Basic State Aid.

The purpose of the position would be to ensure that school districts and charter schools submit valid and accurate ADM counts for Basic State Aid funding purposes. This monitoring has the potential to substantially reduce Basic State Aid costs, since a pilot test of SAIS in Pinal County in FY 1997 determined that 2.5% of pupils in the test were incorrectly counted by more than one school district. "Double counting" of ADM is particularly likely in states with high mobility rates, like Arizona. Since SAIS will begin to collect ADM data on an individual student basis in FY 2002, the ability to detect ADM counting errors will be enhanced starting that year, making the hiring of a full-time ADM auditor now more useful.

For simplicity, the JLBC recommends that the new ADM auditor position, if approved, be incorporated into the overall operating budget of the cost center, rather than into a new Special Line Item. In order to assure the intended use of the new position, the JLBC recommends that a footnote be added to the operating budget of the cost center. This footnote would specify that the department is to use at least 1 FTE Position from its operating budget for ADM auditing (see *"New Footnotes" under "JLBC Recommended Footnotes" below).*

The Executive does not make a recommendation on this issue.

Charter School Administration GF 49,800 49,800

The JLBC recommends a total biennial General Fund increase of $99,600 for Charter School Administration. This amount includes an increase of $49,800 and 1 FTE Position in both FY 2002 and FY 2003 above FY 2001.

The increase is recommended because of the dramatic increase in the number of charter schools in the state since FY 1996• their first year of existence in Arizona. By FY 2003, that number is expected to exceed 500. Each charter school requires many of the same state-level services required for individual school districts, such as computation and processing of state aid payments and oversight and distribution of federal grants. Rapid growth in the number of charter schools in the state therefore has substantially increased the department's administrative workload. The number of personnel authorized for the Charter School Administration program, however, has remained unchanged at 4 FTE Positions for the past several years. The recommended increases, plus standard changes shown elsewhere, would result in total program funding of 5 FTE Positions and $259,800 for FY 2002 and 5 FTE Positions and $259,900 for FY 2003.

This program differs from the State Board of Education and State Board for Charter Schools (both of which sponsor and monitor charter schools) in that the 2 boards do not provide administrative support for the statewide charter school program in general. Instead they only provide sponsorship, monitoring and instruction-related services to the individual schools that they sponsor. Another difference is that the 2 boards are not under the administrative jurisdiction of the department, whereas the Charter School Administration program is. In addition, auditing responsibilities differ among the 3 entities in that the boards are only responsible for auditing schools that they sponsor, whereas the Charter School Administration program is responsible for auditing *all* charter schools for generic issues such as federal grant compliance. (Charter schools also may be sponsored by school districts. The Auditor General is responsible for financial and compliance audits for those charter schools.) Finally, the Charter School Administration program serves as the initial statewide contact for the public-at-large regarding generic charter school issues.

The Executive concurs regarding the 1 FTE Position increase, but recommends funding it at a cost of $41,200 in FY 2002 and $37,900 in FY 2003.

State Board of Education GF 49,800 49,800
The JLBC recommends a total biennial General Fund increase of $99,600 for investigations of alleged immoral or unprofessional conduct by school employees that the State Board of Education is required to conduct pursuant to A.R.S. § 15-203(A.20) and A.R.S. § 15-350. This amount includes an increase of $49,800 and 1 FTE Position in both FY 2002 and FY 2003 above FY 2001.

This increase is recommended because of growth in the number and severity of cases requiring investigation in recent years and the paramount concern of maintaining student safety in schools. In FY 1999, for example, the board, took action against 19 teachers and administrators accused of some type of sexual offense up from 6 in FY 1995. Investigations of alleged immoral or unprofessional conduct of all types increased during that period from 46 cases in FY 1995 to 111 in FY 1999.

Because of this trend, plus a statutory change last year that requires all existing teachers to be re-fingerprinted whenever their teaching certificates are renewed, the board projects that the number of cases requiring investigation will increase from 111 in FY 1999 to 140 in FY 2002 and 176 in FY 2003. Re-fingerprinting is expected to turn up additional cases of criminal misconduct because it will trigger a repeated background check on each teacher or administrator who applies for recertification. Under prior law, background checks were conducted only when school employees *first* applied for professional certification. Upon a finding of immoral or unprofessional conduct, the board may revoke, suspend, suspend with conditions or censure a school employee.

The recommended increases, along with standard changes shown elsewhere, would increase the board's overall budget to 4 FTE Positions and $306,300 for FY 2002 and $306,400 for FY 2003. The board's base budget currently includes 3 FTE Positions and $262,900. This includes 1 FTE Position and $100,000 for charter school monitoring. By law the board is required to monitor the financial and academic accountability of charter schools that it sponsors. The board currently sponsors 70 charter schools at 140 different school sites.

The Executive concurs regarding the 1 FTE Position increase for certification-related investigations, but recommends that it be funded at a cost of $50,900 in FY 2002 and $45,700 in FY 2003.

The Executive, however, also recommends an increase of 1 FTE Position and $51,100 in FY 2002 above FY 2001 and 1 FTE Position and $45,900 in FY 2003 above FY 2001 for charter school monitoring. The JLBC does not recommend additional funding for charter school monitoring because (as mentioned above) the board received an increase of $100,000 and 1 FTE Position for charter school monitoring in FY 2000 that remains in its base budget.

In addition, the Executive recommends an increase of $114,400 in both FY 2002 and FY 2003 above FY 2001 in order to make the board a separate state agency. Currently it functions as a separate Cost Center within the department. The Executive believes that the board needs to be a separate state agency in order to increase its autonomy from the department. The JLBC does not concur with this recommendation because a compelling need for the proposed change has not been established.

* * *

JLBC RECOMMENDED FORMAT — Operating Lump Sum with Special Line Items for the Program. The State Board of Education Special Line Item is a separate program.

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes
Monies collected by the Department of Education for teacher certification fees, as authorized by A.R.S. § 15-531, paragraphs 1 and 2, shall be deposited in a Teacher Certification Fund for use in funding costs for the Teacher Certification program.

Modification of Prior Year Footnotes
The appropriated amount includes $1,859,600 for FY 2002 and $1,968,900 for FY 2003 for norm-referenced testing of pupils in grades ~~2 through 11~~ 3 THROUGH 12. ~~The appropriated amount also includes $65,000 in FY 2000 and $65,000 in FY 2001 for reporting Stanford 9 reading test scores by individual classroom for pupils in grades 2 and 3.~~ *The recommended change in grade levels to be tested is based on the requirement currently in statute for norm-referenced testing. Language dealing with funding for additional reporting of reading test scores is deleted because the department now covers this cost with monies from the School Report Cards program's budget in the Assistance to Schools Cost Center.*

New Footnotes
At least 1 FTE Position from the department's operating budget shall be used for auditing Average Daily Membership (ADM) counts from school districts and charter schools. *This footnote relates to the 1 new FTE Position that is being recommended for ADM auditing under the "ADM Auditing" policy issue above.*

Deletion of Prior Year Footnotes
The JLBC recommends deleting the footnote regarding the use of monies appropriated for SAIS development, since monies will not be appropriated for that purpose after FY 2001. (The JLBC recommends an appropriation for SAIS *maintenance* for FY 2002 and FY 2003, but the intended use of those monies does not require clarification through an explanatory footnote.)

JLBC RECOMMENDED STATUTORY CHANGES

As noted above under narrative for the "Achievement Testing" policy issue, temporary ORB provisions have been employed since FY 1998 to notwithstand the requirement in A.R.S. § 15-741 that Grades 3-12 be Stanford 9 tested and require instead that Grades 2-11 be tested. If members of the Legislature would like to make this a permanent change, the JLBC recommends that A.R.S. § 15-741 be amended so that ORB language would not be needed for this issue on an ongoing basis.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

FY 2001 Supplemental

LEP Cost Study: The JLBC recommends a FY 2001 General Fund supplemental of $150,000 for a court-mandated study of costs associated with serving Limited English Proficiency (LEP) pupils. Those pupils currently generate additional funding of roughly $150 apiece through the existing LEP "Group B" weight in the Basic State Aid formula. Because of an ongoing lawsuit regarding the adequacy of state LEP funding ("Flores v. State of Arizona"), a federal judge has ordered the department to complete a cost study of LEP programs prior to the start of the 2001 Legislative Session.

The department asked for a delay in the study's due date in view of the 2-year length of time that it takes to complete a similar cost study for special education programs under A.R.S. §15-236. The federal judge, however, denied this request and stated in doing so that the cost study would be required even if voters approve Proposition 203 in November 2000 (which did occur). He said that the cost study would be needed under Proposition 203 because the "structured English immersion" teaching approach required by that Proposition still would result in add-on costs for LEP students.

The recommended $150,000 supplemental for this issue equals the department's estimate of contract costs for the study. The JLBC recommends this funding in order to comply with the court order. The JLBC is concerned, however, that this cost study may not be able to generate valid and accurate findings because it is being done during a very short timeframe.

Achievement Testing: The JLBC also recommends a FY 2001 General Fund supplemental of $553,900 for Achievement Testing. That recommendation is discussed above under the "Achievement Testing" policy issue.

Executive Recommendation

The Executive recommends a $(61,200) funding decrease for the Education Commission of the States (ECS), which would eliminate funding for that item and thereby cancel Arizona's membership in ECS. The JLBC does not concur on this issue because some members of the Arizona Legislature currently participate in ECS activities. ECS is a nonprofit, nationwide interstate compact formed in 1965. Its primary purpose is to help state education leaders improve the quality of public education.

SUMMARY OF FUNDS - SEE AGENCY SUMMARY

Click here to return to Table of Contents

DEPARTMENT OF CORRECTIONS
FY 2002-03 FIGURE SETTING RECOMMENDATIONS

JBC Working Document -- All Decisions Subject to Change
Staff Recommendation Does Not Reflect Committee Decision

OVERVIEW

The Department's budget request reflects the major functions and cost centers involved in operating the state's secure prison facilities and community programs which serve inmates or offenders paroled from inmate status. The Department's budget request is based on eight major program areas within the Department, with those program areas further broken down into 36 subprograms. The eight major program areas are designated by roman numerals and are capitalized. The 36 subprogram areas are listed alphabetically beneath each program area, and are shown in *italics*.

Throughout the document, new decision items related to operating expenses associated with expansions or reductions of existing Department of Corrections (DOC) facilities (base reduction item number 3) and those impacting several line items in different subprograms (decision item number 4; base reduction item numbers 2, and 5) are shown in two ways:

1) isolated (in total) from all other subprograms at the beginning of the document so that the Committee can see the total funding associated with the request; and

2) broken down into each related subprogram area (e.g. housing/security, food services, medical services, etc.) so that the Committee can see the total funding required (Department-wide) for each of the 36 subprograms.

REQUEST VERSUS RECOMMENDATION

The total staff recommendation as reflected in the numbers pages for the Department of Corrections is significantly lower than the official Department request. However, the staff recommendation still has the following items pending:

1. Legal Services - approximately $1,625,338 General Fund based on the Department's request.

2. Multi-use Network - approximately $529,559 General Fund based on the Department's request.

3. Dispatch Services - approximately $278,708 General Fund based on the Department's request.

4. Vehicle Lease Payments - approximately $2,838,085 General Fund based on the Department's request.

5. Purchase of Services from the Computer Center - approximately $47,367 General Fund based on the Department's request.

These line items may be set at a different amount from the Department's request based on the Committee's final actions. Staff has provided these amounts in order to give the Committee an idea of the total General Fund that will be required to fund the Department of Corrections. The Department of Corrections would require $500,273,015 General Fund based on a combination of recommendations in this document and the estimates shown above. Given this estimate, the recommendation would be $2,101,800 less than the amount requested by the Department as reflected in the numbers pages.

DEPARTMENT-WIDE REQUESTS

The Department's budget request includes several decision items, base reduction items, and budget amendments which have a direct impact on several subprograms within the budget. Therefore, staff is presenting these decision items with recommendations at the beginning of the figure setting document so the Committee can get a sense of the requests in whole. The recommended amounts will be built into the individual lines, where appropriate, and highlighted for the Committee's review.

Request for Exemption from Committee's Common Policy of a 2.5 Percent Reduction to Personal Services. The Department is requesting that security related line items be exempted from the 2.5 percent base reduction. The Department requests that a 1.5 reduction, rather than a 2.5 percent reduction, be applied to the personal services line item in the following subprograms:

- Maintenance
- Housing and Security
- Food Service
- Laundry
- Boot Camp
- YOS
- Case Management
- San Carlos
- Transportation
- Labor
- Recreation
- Parole
- Parole ISP
- Community
- Community ISP
- YOS Aftercare

The Department advised staff that they disagree with the following arguments for taking a 2.5 percent base reduction on personal services line items:

- **Retiring employees result in vacancy savings because of the pay differential of the retiree and the person hired to replace them.** The Department argues that the savings generated from the differential between a retiree's salary and the replacement salary is barely sufficient to cover

the cost of the pay out for sick and vacation leave which are not funded in the base appropriation.

- **Recent years have had higher turnover rates, therefore, more vacancy savings should be available.** The Department contends that the 10.02 percent turnover rate in FY 2000-01 was a modest .27 percent increase over the 9.75 percent rate in FY 1999-00 for the Department of Corrections.

- **Statewide nearly half of all employees are at the maximum pay for their respective positions.** The Department estimates that only 35 percent of its employees are at the maximum or near maximum pay due to the dramatic growth of the Department in the last five years.

- **Departments hire new employees at a rate higher than the minimum.** The Department does not argue this fact. However, they do state that when employees are hired at higher than the minimum it is because they are a transfer or promotion from elsewhere in the Department or state personnel system and not a new employee.

- **Agencies have flexibility within pots lines.** The Department contends that the pots lines are not fully funded and the shortages must be absorbed in other personal services lines.

- **Departments have flexibility with respect to how they fund retirement payouts.** The Department indicates that they have unfunded payments in FY 2001-02 that make them unable to take advantage of this flexibility. According to the Department, these anticipated shortages include overtime, legal services, personnel settlements, unemployment security payments, call back pay for medical/mental staff, and Parole Board raises.

The Department concludes that they have made every attempt to be fiscally responsible. They have implemented a staffing template and given back $1.7 million in savings because of adjustments and elimination of positions. The Department indicates that a 2.5 percent reduction to personal services will be a serious problem.

Recommendation: **Staff recommends a 1.5 percent base reduction be applied to the Personal Services line item in the Maintenance Subprogram, Housing and Security Subprogram, and Food Services Subprogram rather than a 2.5 percent base reduction.** Staff requested that the Department provide historical data for FY 2000-01 so that a historical review of vacancy savings could be performed. Staff requested a list of all the positions vacated in FY 2000-01, the reason the position was vacated, the length of time the position was vacated, the salary at the time the position was vacated, the minimum salary for the position, and the salary for the replaced position. The Department indicated that this data would be difficult to obtain for the full year, but agreed to provide the information for the month of August 2000. The Department had a total of 588 staff turnover in FY 2000-01 and 66 in August 2000 (the highest number in any given month of that fiscal year).

Staff annualized the average savings per vacant position in August 2000 to determine the average vacancy savings for FY 2000-01. In staff's estimation, the Department generated 1.63 percent savings due to vacancies (the salary at time vacant multiplied times the number of months vacant)

and 1.74 percent savings due to pay differential (the salary at time vacant less the minimum salary). This equates to a total estimated average annual vacancy savings of 3.37 percent. When the impact of hiring personnel at a rate higher than the minimum is factored into the calculation, the estimated annual average vacancy savings is 2.59 percent.

Staff recommends reducing base funding in the Personal Services line items in the Maintenance Subprogram, Housing Subprogram, and Food Services Subprogram by 1.5 percent rather than the 2.5 percent required by the Committee common policy. Staff recommends this course of action for the following reasons:

1. The 3.37 percent vacancy calculated above does not include the 1.5 percent reduction to the base taken in FY 2001-02.

2. The Department is required to fund payouts from vacancy savings and the 3.37 percent vacancy calculated above does not account for this requirement.

3. The Department is required to fund overtime payments out of vacancy savings and the 3.37 percent vacancy calculated above does not account for this requirement.

4. The Department is only funded for 80 percent of shift differential and the Department is expected to make up the additional 20 percent through vacancy savings and pots flexibility.

5. The Maintenance Subprogram, Housing Subprogram, and Food Services Subprogram are the largest divisions that are primarily responsible for direct supervision of inmates and would have the most difficulty covering the positions left vacant due to the base personal services reductions.

Utilizing a 1.5 percent reduction for the above mentioned divisions and applying Committee policy to the remaining divisions results in an overall reduction of $6,092,987 ($5,819,328 GF, $41,934 CF, and $231,725 CFE) to personal services in the Department of Corrections. This represents an overall reduction of 2.0 percent to the Department's personal services base. If Committee policy was applied to all divisions in the Department, an additional $1,604,022 General Fund would be reduced and would represent an overall reduction of 2.5 percent to the Department's personal services base.

Committee Policy on Reduction for Computer Related Spending. The Committee established a policy to reduce all continuation funding for computer and computer related items. The Department of Corrections does not have a specific line item for this type of expenditure. They utilize existing appropriations from various operating line items within the budget. Staff ask the Department to provide a schedule of expenditures from FY 2001-02 in order to determine the amount of reduction necessary. The Department provided the following information based on two COFRS object codes (3128-02 - Computer Equipment and 3116 - Software Purchases):

Computer/Software Year-to-Date FY 2001-02			
Subprogram	Computer Equipment	Software	Total
Executive Director	$9,821	$2,075	$11,896
External Capacity	$0	$191	$191
Utilities	$0	$580	$580
Maintenance	$8,124	$5,579	$13,703
Housing	$14,698	$3,316	$18,014
Food Service	$5,295	$3,690	$8,985
Medical Services	$39,320	$26,744	$66,064
Laundry	$937	$0	$937
Superintendents	$25,157	$31,432	$56,589
Boot Camp	$60	$0	$60
Youthful Offender System	$889	$11,538	$12,427
Case Management	$563	$50	$613
Mental Health	$791	$0	$791
San Carlos	$2,752	$6,684	$9,436
Legal Access	$18,681	$7,160	$25,841
Business Operations	$7,324	$2,094	$9,418
Personnel	$906	$230	$1,136
Offender Services	$747	$219	$966
Communications	$0	$12,429	$12,429
Transportation	$454	$0	$454
Training	$1,688	$232	$1,920
Information Systems	$7,782	$12,917	$20,699
Facility Services	$0	$540	$540
Labor	$1,245	$0	$1,245
Education	$6,407	$7,756	$14,163
Recreation	$281	$780	$1,061
Sex Offender Treatment	$0	$4,643	$4,643
Volunteers	$2,108	$179	$2,287
Community Reintegration	$0	$280	$280
YOS Aftercare	$17,421	$11,221	$28,642
Parole Board	$0	$140	$140
Total	$173,451	$152,699	$326,150

The Department requested that they be exempted from the Committee's common policy of reducing Operating Expenses by the amount of computer related purchases in FY 2002-03. The Department cites the following reasons they should be exempted:

- The Department uses computers to limit the number of FTE required and believe a reduction in

the operating budget will hamper their ability to maintain the computers.

- The Department contends they have not received an increase specifically for the purchase of personal computers since FY 1999-2000 (in response to Y2K).

- The Department indicates it is their practice not to replace any computer unless it is more cost effective to replace the computer rather than repair it, or if a programming change requires an upgrade of the computer.

- The Department removes very few computers from service. When a computer is replaced, the old computer is passed down to an employee who previously did not have a computer.

- The Department contends that each facility weighs the need for a new computer against all other items needed and only purchases the computer if it is determined to be the highest priority.

Recommendation: **Staff recommends each operating expense line item in the subprograms shown in the Table above be reduced by the amount in the total column.** In staff's estimation, the Committee's common policy to eliminate funds for personal computers is based on the current budgetary constraints. As such, all departments will have to eliminate these expenses. The above amounts reflect the Department's best estimate of the level of funding in operating expenses that was expended on computers and computer related items in FY 2001-02. Staff has made the necessary reduction to each impacted operating line item throughout this document.

Decision Item # 4 - Inmate Treatment Programs. The Department is requesting $220,452 General Fund and 4.0 FTE for increased mental health treatment within the Department. The 4.0 FTE will assist in meeting the needs of the Offenders with Serious Mental Illness (OSMI) and allow the Department to offer rehabilitative programs needed by the inmate population. In addition, the funding will permit the Department to contract for 10 community aftercare beds for mentally ill offenders.

Recommendation: **Staff recommends a total of $36,500 General Fund for the community corrections portion of this decision item be approved.** This decision item is separated into two distinct components:

1. *Additional Mental Health Positions in Correctional Facilities:* The first component is $183,952 and 4.0 FTE to hire additional mental health professionals within the Department's facilities. The Department would add 2.0 FTE to the Fremont Correctional Facility, 1.0 FTE to the Colorado Territorial Correctional Facility, and 1.0 FTE to the Colorado State Penitentiary. These additional FTE would assist the already existing mental health personnel in managing the growing mentally ill inmate population. The Department intends to submit a request in the FY 2003-04 budget request for another 5.0 FTE for this purpose. **Staff recommends these positions <u>not</u> be added in FY 2002-03** because of the State's current budgetary constraints. While these positions would undoubtedly benefit the Department of Corrections' mentally ill inmate population, it is an expansion at a time when funding is not

readily available. The Department's Mental Health Subprogram has 63.8 FTE and the San Carlos Subprogram has 223.4 FTE that are dedicated to caring for the Department's mentally ill inmates. The Department should request this decision item again in a future year when funding constraints are less significant.

2. *Community Corrections Differential:* In the second component of this decision item, the Department is requesting $36,500 General Fund to pay a $10 differential for additional beds in a community corrections therapeutic community ($10 per day * 365 days * 10 beds = $36,500) for mentally ill offenders. **Staff recommends that funding for these beds be approved.** The Department indicates that inmates that participate in therapeutic communities both while incarcerated and while on community corrections are much less likely to recidivate (5.0 percent recidivism in the first year as compared with the Department-wide first year recidivism rate of 37.9 percent).

The following Table shows the request and recommendation for FY 2002-03 funding and FY 2003-04 annualization by line item.

FY 2002-03 and Associated FY 2003-04 Annualization for Inmate Treatment Programs

	Request				Recommendation			
Subprogram	FY 02-03	FTE	FY 03-04 Annual	FTE	FY 02-03	FTE	FY 03-04 Annual	FTE
Mental Health - Personal Services	165,689	4.0	165,689	4.0	0	0.0	0	0.0
Mental Health - Operating Expenses	2,000		2,000		0		0	
Mental Health - Start-up Costs	15,063		0		0		0	
Communications - Operating Expenses	1,200		1,200		0		0	
Community Supervision - Community Mental Health Services	36,500		36,500		36,500		36,500	
Total	**220,452**	**4.0**	**205,389**	**4.0**	**36,500**	**0.0**	**36,500**	**0.0**
General Fund	**220,452**	**4.0**	**205,389**	**4.0**	**36,500**	**0.0**	**36,500**	**0.0**

Base Reduction Item # 2 and Budget Amendment Base Reduction Item # 4c - Drug Offender Surcharge Reduction. The Department submitted a request to reduce various line items that are impacted by the reduction in available Drug Offender Surcharge Funds.

Recommendation: **Staff recommends a reduction of $631,998 in Drug Offender Surcharge Funds and 6.5 FTE based on the staff calculation.** Staff is recommending the following programs be reduced:

➢ *Research Function in the Planning and Analysis Section of the Executive Director's Office.* The Department has 1.0 FTE dedicated to Alcohol and Drug Services research activities. This 1.0 FTE is funded through the Drug Offender Surcharge Fund. The activities performed by this position include program evaluation studies of substance abuse treatment programs and validation research of the State mandated Standardized Offender Assessment (SAO) battery. **Staff recommends a reduction for this function of 1.0 FTE and $74,347.**

➢ *Inmate Drug Reduction Program.* The Department has funded this subprogram with Drug Offender Surcharge Funds since FY 2000-01. The Inmate Drug Reduction Program was established through a three year federal grant. When the grant was eliminated, the Department requested that the program be funded with General Fund in FY 2000-01. During the figure setting process for FY 2000-01, it was determined by the JBC that there was not sufficient General Fund to fund the program so the program was eliminated. During the caucus process on the Long Bill, the General Assembly chose to fund the program with the Drug Offender Surcharge Fund. The Department indicated that the Inmate Drug Reduction Program:

- increased the random and reasonable suspicion testing of inmates from 13 percent to 25 percent of the prison population;
- created a database to track inmate movement and to provide needed intelligence on drug activities within the prison system; and
- restructured internal and external sanctions to respond to positive drug tests.

Although this program appears to be beneficial in reducing drug usage in the prison system, staff believes it is not as appropriate a use of Drug Offender Surcharge Fund as are drug treatment programs. The drug testing that is done in this program is a component of an investigative procedure more than a treatment component. During the budget process for FY 2000-01, staff asked the following question and received the following response from the Department with regard to the use of Drug Offender Surcharge Fund for this program:

> Question: "Is there money available from the Drug Offender Surcharge Fund to finance this (Inmate Drug Reduction Program)? If there is, why didn't the Department request Drug Offender Surcharge Funds for the program? If there isn't, why is the Department attempting to expand the program?"
>
> Answer: "The conclusions reached by the Committee [interagency committee that recommends the level of funding from the Drug Offender Surcharge Fund] will answer the availability of these funds and may also determine the program's applicability to the intent of this source. Previously, funding received from the Drug Offender Surcharge Funds to the Department of Corrections have focused on assessment, treatment and research. It is unclear thus far as to whether interdiction, testing, and intelligence will be included in the mission of the fund. In either case, the Department's commitment to reduce drug use among known offenders dictates expansion of coordinated interdiction and testing of this population. We have never used Drug Offender Surcharge Funds for the Inmate Drug Reduction Program, but this does not mean we cannot."

Staff recommends that no funding from the Drug Offender Surcharge Fund be used for the Inmate Drug Reduction Program and the program be eliminated unless the Department can identify another source of funding.

➢ *Drug and Alcohol Treatment, Drug Treatment Program and Drug Offender Surcharge.* The Department of Corrections provides a range of substance abuse services that include: 1) intake assessment and evaluation; 2) self-help meetings; 3) a range of facility based

education and treatment programming; 4) community based urinalysis testing; 5) case management and treatment services for parolees; 6) standardized offender assessment training; 7) research, program evaluation, and data management; and, 8) specialized community based continuing care services for dual diagnosed offenders and facility based therapeutic community graduates. The Department indicates that they will reduce assessment services at Denver Reception and Diagnostic Center, assessment services for Parole TASC, and drug treatment counseling. Additionally, the Department will scale back the match of federal fund grants. **Staff recommends a reduction of $35,553 in the Drug Treatment Program line item and a reduction of $250,584 and 1.0 FTE in the Drug Offender Surcharge Program line item.**

The following Table shows the request and recommendation for FY 2002-03 funding by line item.

FY 2002-03 Reduction for Drug Offender Surcharge Fund Programs				
	Request		Recommendation	
Subprogram	FY 02-03	FTE	FY 02-03	FTE
EDO:				
Personal Services	(51,076)		(51,076)	(1.0)
STD	(65)		(65)	
Salary Survey	(12,295)		(12,295)	
Anniversary	(5,019)		(5,019)	
Operating Expenses	(5,892)		(5,892)	
Subtotal EDO	(74,347)		(74,347)	
Inmate Drug Reduction Subprogram:				
Personal Services	(32,466)	(1.0)	(175,114)	(4.5)
Operating Expenses	(47,400)		(47,400)	
Contract Services	(49,000)		(49,000)	
Subtotal IDRP	(128,866)		(271,514)	
Drug and Alcohol Treatment Subprogram				
Drug Treatment Program	(143,824)		(35,553)	
Drug Offender Surcharge	(250,584)	(1.0)	(250,584)	(1.0)
Subtotal Drug and Alcohol Treatment	(394,408)	(1.0)	(286,137)	(1.0)
Total	**(597,631)**	**(2.0)**	**(631,998)**	**(6.5)**
Cash Funds	**(597,631)**	**(2.0)**	**(631,998)**	**(6.5)**

Base Reduction Item # 3 - Colorado Women's Correctional Facility 50 Bed Reduction. During the supplemental process for FY 2001-02, the Department requested and was granted authority to decommission 50 beds at Colorado Women's Correctional Facility (CWCF). The inmates were transferred to Denver Women's Correctional Facility (DWCF). There was room at DWCF because of lower than anticipated female prison population growth. The 50 beds that were decommissioned at CWCF were located in a modular unit that was considered a life safety hazard. The transfer of the inmates from CWCF to DWCF occurred in October 2001. This request seeks to annualize the partial year reduction for a full fiscal year.

BILL # HB 2429 APPENDIX D **TITLE:** school attendance; age increase

SPONSOR: Poelstra **STATUS:** As Introduced

REQUESTED BY: House **PREPARED BY:**

	FISCAL YEAR		
	2002	**2003**	**2004**
EXPENDITURES			
General Fund – ADE	$-0-	Up to $225 million annually	
General Fund – School Facilities Board	$-0-	Up to $500 million one-time	$-0-

FISCAL ANALYSIS

Description

The bill would require every child between the ages of 6 and 18 years of age to attend school. Current law does not require 17 and 18 year olds to attend school.

Estimated Impact

We cannot precisely estimate a fiscal impact for the bill because we cannot predict its affect on the statewide dropout rate. If the bill were to reduce the statewide high school dropout rate to zero (as an extreme example), however, we estimate K-12 equalization funding costs would increase by roughly $225 million in FY 2003 and $237 million in FY 2004. Under this scenario we also estimate that costs for new school construction would increase by about $500 million on a one-time basis. This entire $500 million potential cost is shown under FY 2003 in the table above, but most likely would be spread over 3 or more years.

The Arizona Department of Education and the School Facilities Board do not have fiscal impact estimates for this bill.

Assumptions

Tables 1 and 2 show estimated increases in statewide Average Daily Membership (ADM) counts and K-12 equalization funding costs for high school pupils if the bill caused the statewide dropout rate to drop to zero (as an extreme example). The ADM estimates in the "Current Law" column of each table are current JLBC projections. The "If No Dropouts" columns show roughly what statewide ADM counts would be for each grade level under a dropout rate of zero. Those columns assume that each grade level after Grade 9 would be slightly smaller than the previous grade level due to ongoing population growth. The ADM "Change" column in both tables equals the "If No Dropouts" total for each row minus the "Current Law" total for the same row.

The last column in both tables ("Cost at $4,400 [$4,500] per ADM pupil") provides a rough estimate of how K-12 equalization funding costs (state plus local) would increase under a hypothetical dropout rate of zero. The estimates shown equal the ADM "Change" figure for a respective row multiplied by either $4,400 (for FY 2003) or $4,500 (for FY 2004). The $4,400 and $4,500 amounts are our current rough estimates of average per pupil funding for those years under the state K-12 equalization funding formula.

(Continued)

Table 1: Potential Fiscal Impact (FY 2003) *(extreme example that assumes a dropout rate of zero under the bill)*

Grade Level	Estimated Statewide Average Daily Membership (ADM) Current Law	If No Dropouts	Change	Cost at $4,400 per ADM pupil
Grade 9	74,665	76,000	1,335	$5,874,000
Grade 10	65,580	75,500	9,920	43,648,000
Grade 11	57,525	75,000	17,475	76,890,000
Grade 12	52,188	74,500	22,312	98,172,800
Total	249,958	301,000	51,042	$224,584,800

Table 2: Potential Fiscal Impact (FY 2004) *(extreme example that assumes a dropout rate of zero under the bill)*

Grade Level	Estimated Statewide Average Daily Membership (ADM) Current Law	If No Dropouts	Change	Cost at $4,400 per ADM pupil
Grade 9	76,905	78,280	1,375	$6,187,700
Grade 10	67,547	777,765	10,218	45,979,200
Grade 11	59,251	77,250	17,999	80,996,600
Grade 12	53,754	76,735	22,981	103,416,100
Total	257,457	310,030	52,573	$236,579,700

We cannot estimate the extent to which the "high end" costs in *Tables 1 and 2* actually would occur under the bill because we cannot predict how the bill will affect the statewide dropout rate. This is because we cannot predict how the bill would affect the decision making process for students who contemplate dropping out of school. Part of this uncertainty is because the bill does not require school districts or other entities to hire additional personnel to enforce the higher mandatory school attendance age. A.R.S. § 15-804, which is unchanged by the bill, *allows* school districts to hire "attendance officers," but does not *require* them to be hired.

Under the extreme scenario depicted in *Tables 1 and 2*, the state would pay roughly 99% of the total costs and "local share" revenues would cover the remaining 1%. This is because most school districts already meet their entire "local share" funding requirement under current law, so additional costs due to ADM growth (if any) under the bill would be paid entirely by the state for those districts. The only exception would be for "zero aid" districts, which are school districts that still have some "unused" local share funding because of their very high levels of taxable property value per pupil. Zero aid districts currently pay for all of their own K-12 formula costs and would continue to do so under the bill. We estimate, however, that only about 1% of costs for ADM growth above current levels (if any) under the bill would be paid by zero aid districts.

The bill would directly effect only 17 and 18-year-old pupils (most of whom are 11th and 12th Graders), since younger pupils already are required to attend school under current law. For simplicity, however, *Tables 1 & 2* assume that the bill would affect dropout rates for all 4 high school years. Most of the ADM changes in the tables nonetheless are for pupils in Grades 11 and 12, since those grades currently are most affected by ADM declines due to dropouts.

Tables 1 & 2 do not include funding for additional high schools that potentially would be required under a statewide dropout rate of zero. We estimate very roughly that this could cost about $500 million on a one-time basis. The $500 million estimate assumes 100 square feet of space per pupil and a $100 cost per square foot (50,000 pupils X 100 square feet per pupil X $100 per square foot = $500 million). The square foot per pupil and cost per square foot assumptions in the calculation are based roughly on the funding formula for new school construction that is prescribed for FY 2002 in A.R.S. § 15-2041 under current law.

Local Government Impact

Under the extreme scenario depicted in *Tables 1 and 2*, local school districts would have to expand their staffs and build additional high school space in order to accommodate higher numbers of high school pupils. This potentially could increase local K-12 equalization formula costs for "zero aid" districts. It also potentially could increase the amount of local "Class B" bond revenues that school districts would seek to generate under A.R.S. § 15-1021 in order to supplement funding for new school construction that would be provided to them by the School Facilities Board. We cannot predict the extent to which either these new costs would occur or the extent to which they would occur under the bill.

Amendments

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